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NINETEENTH WAR NUMBER

THE ROUND TABLE

A QUARTERLY REVIEW OF THE POLITICS
OF THE BRITISH COMMONWEALTH

Contents of Number 135

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THE ROUND TABLE

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THE CONFERENCE

THE long-awaited Conference of the Prime Ministers of the Commonwealth opened its deliberations, with the minimum of ceremony, on May 1. Its assembly had been preceded at the end of April by an important debate, lasting two days, in the House of Commons at Westminster, which, though intentionally planned so as not to precipitate any controversial issue, or to provoke the Government to any fresh declaration of policy that might prejudice the Conference, yet gave remarkable evidence of the unanimity upon essentials that now prevails in Parliament when the Empire is discussed. On a motion jointly sponsored by ex-Ministers of all parties, the Socialist Mr. Shinwell, generally the most mordant of the Government's critics, and after him the Liberal Mr. Hore-Belisha and the Conservative Lord Winterton, all took substantially the same line. All of them gloried in the record of the Commonwealth's unity in resistance at the crisis of danger in the present war, all postulated its participation in a new system of collective security, and all at the same time argued that the continuance and intensification of the Commonwealth's tradition of combined action was necessary both for its own safety and for the success of the wider international system. They looked forward to its full articulation for mutual help in all aspects—military, political, social and economic. Even on the more violently disputed subject of the dependent Empire, there was no dissent from the opinion that the imperial tutelage is justified by its success in advancing backward peoples towards the capacity for self-government.

This striking convergence of opinion in the British Parliament, which was never reached before the experience of war clarified the major principles of the imperial relation, closely corresponds to the common ground shared by the participants in the Prime Ministers' Conference, however individual the policies with which they have publicly identified themselves. All five have recognized the vindication of the Commonwealth system, the harmony and whole-heartedness with which each national unit has discharged its share of the common task of defence—a favourable opinion upon the Commonwealth in action that need not and cannot be reflected backward upon its performance in the preparatory years. All recognize the need to throw the full resources of the Empire into the support of an international system, growing out of the alliance of the United Nations, which can be the guarantor of world peace, as projected at the Teheran Conference. All have agreed that the cohesion that has saved the Commonwealth in war will be no less necessary to it in peace; and that provident statesmanship will foster every force and influence that may favour concerted action among its members, consistently with their national liberties and their other obligations.

It may well turn out that the Conference contributes most to the solution of this problem when it approaches it indirectly. It is known at least that the revision of the constitutional structure of the Commonwealth has not

been given the first place on its agenda. The discussions of the first days were concerned with the conduct of the war, the plans for the invasion of Europe, the terms to be imposed upon a defeated Germany, and the policy that will develop from victory for the resettlement of the world. In the second week chief attention was to be transferred to the social and economic affairs of the Commonwealth itself. This programme necessarily confronts the Conference with the essential problems in a form that requires them to be solved *ambulando*. The Prime Ministers, as leaders of five nations all fighting and planning together as units in a world-wide alliance, are necessarily evolving a contribution to the policy of a collective international system. But by holding among themselves this meeting of an inner ring within the larger whole they undertake to enhance the value of that contribution by presenting it to their allies as a considered unity and not a catalogue of five different points of view. They enter therefore upon the direct test of whether—over a wide range of consultation extending from strategy to the structure of the new order depending on victory—joint Commonwealth planning helps or hinders joint United Nations planning; and on their experience should depend the answer whether and what changes in the political machinery of the British Empire would equip it better for the part it will have to play in the world hereafter.

It should be observed that the meeting of the Prime Ministers in conference adds nothing of substance to the organization permanently available for the conduct of the common affairs of the Empire. Their assembly—like the Imperial Conference itself, of which it is an informal reflection—is purely consultative. It carries on, under exceptionally favourable and practical conditions, a process of exchange of views which is in operation every day and every hour in peace and war. It goes on continuously, between government and government at a distance, between Ministers and High Commissioners face to face in the five capitals of the Commonwealth; the assembly of the Prime Ministers in one place gives it the added vitality and precision of direct interchange over the table, but it is essentially the same process that the same five men habitually carry on from their offices in their widely separated homes.

Thus the Conference puts to the test the adequacy of the present nexus of relations within the Empire by the need to use it for the solution of a specific set of problems in strategy and in planning for future foreign and domestic policy. It is moreover a test of the right order; for on each of these problems the Conference must seek to reach a solution on which the Commonwealth can agree, and which can afterwards be propounded to the other Powers of the United Nations and harmonized with their larger designs. This is precisely the kind of work in which imperial unity will need to exercise itself in future generations; and to grapple with it in this practical form is to raise at once the issue that has caused so much debate in the Commonwealth: whether any movement to draw it more closely together in counsel and action is likely to help or hinder the cohesion of that world-wide system of collective security to which all its members stand so deeply committed.

Consultation on these problems is for the common benefit of all, but at

the present juncture the Government in the United Kingdom has most to gain by it, having been placed by the exigency of war in a position of representative responsibility. The task ahead, which is first to force a decision against the enemy in both hemispheres, and then, in and through total victory, to build a free, prosperous and stable order for the world, depends absolutely on preserving, through both phases, complete confidence and harmony of action between the British Commonwealth, the Soviet Union and the United States. By virtue of a convention which is patently obsolescent, but which the Dominions are content should continue for the time being, the Government at Westminster has frequently acted, in the day-to-day affairs of the triple alliance, and in those especially which concern war and reconstruction in Europe, as executive agent for the entire Commonwealth. But it is enabled to do so, if a formula familiar throughout the Empire may be adapted, only "by and with the advice and consent" of its co-equal partners. From the Conference Mr. Churchill and his colleagues will have sought a renewal and expansion of their mandate to speak for all in their exchanges with Washington and Moscow; and to the Conference, still essentially the same even in dispersion, they will in due course render account.

The foreign and defence policy to be pursued in the shaping of victory and reconstruction has naturally been the first subject to be discussed by the Conference. The necessary basis of its decisions is the recognition that it is no longer self-sufficient for the maintenance of its own security, but must needs co-operate with the other free nations in defining at once an order of social justice for all peoples and a system for mutual defence against aggression, strong enough not only to guarantee victory but to prevent the recurrence of war. This overwhelming purpose was bound to colour even those subjects of discussion which were of the Empire's internal concern—if indeed that description can be fairly applied to any subject in the inter-dependent modern world. But the subsidiary topics were themselves momentous. The Prime Ministers had to consider the largely new system of communications which the air age entails for the Empire—both the linking up of its own parts and the adjustment of this network to the general international system. Under the head of education there came into the ambit of the Conference all the influences that nourish the distinctive culture of the British peoples and preserve their historic character as guardians before the world of an expanding tradition of peace, liberty and the rule of law. The subject of migration within and into the Empire confronted the Prime Ministers with a variety of difficult questions—not least that of providing continuity of social services for those who transfer their homes from one of its autonomous parts to another.

At the time of writing it is not yet known—and where strategic secrets are involved it may not be known for some time to come—what decisions the Conference has reached on these diverse topics, whether they represent complete agreement, and how agreement within the Commonwealth will affect its co-operation with its powerful associates. As the answers to these questions become gradually manifest in events, the materials will be provided

THE CONFERENCE

for a judgment on the question whether the Empire may be satisfied with the machinery of common counsel on which the Conference has had to rely. Before the meeting the public utterances of Mr. Mackenzie King indicated that he would be the natural advocate of the view that the existing system is adequate to its functions, and that any attempt to give it a closer texture would endanger the intimate ties with friendly Powers, especially the United States, which are of such vital value to the Empire, and of which Canada is in a peculiar sense the trustee. Mr. Curtin and Mr. Fraser, recently linked by the Canberra Agreement, have stood for a different view—that a stronger apparatus for theconcerting of policy in time of peace is necessary to the Empire's defence, and to the evolution of its role in collective security. Since his arrival in England Mr. Curtin has allowed it to be understood that he has no intention to insist on any of the specific schemes he has suggested for giving effect to the general principle he advocates, so that the way was open for the frankest discussion of the issues that separate him from Mr. King.

Meanwhile neither of them appears to hold a conception of the future Empire that is necessarily irreconcilable with the ideas of General Smuts, whose proposals for a regional organization, in which each member of the Commonwealth partnership shall take primary responsibility for common interests in its own continental area, have been before the world since November, and were discussed in the last issue of *THE ROUND TABLE*. Indeed there are signs that some part of this development has already been coming about, by force of circumstances, in and before the Conference. The plans for future collective security, which the Prime Ministers have had to consider, necessarily require every member of the Commonwealth to enter into more definite commitments, jointly with its neighbours, for the military protection of the region in which it lies, than were thought necessary before the League of Nations, with its more general system of obligations, was found unequal to its task. The United Kingdom in Europe, the Union in Africa, the Dominion of Canada in the Americas, and the two southern Dominions in the Pacific, are being compelled to assume chief executive responsibility for the local interests of imperial and world defence.

In another principal aspect of imperial duty, the tutelage of dependent peoples—concerning which, for geographical reasons, the Prime Minister of the Union speaks from special interest and with corresponding authority—Mr. Oliver Stanley last summer publicly invited the Dominions to take up their share of the imperial burden; and he coupled his proposal with suggestions for close co-operation in each region with other Powers ruling colonial dependencies there. In these and other ways it will be found that the British Commonwealth, in the exercise of its inherent functions, is linked at innumerable points of function and interest with the friendly Powers among which its territories are geographically interspersed; that it has the opportunity to exert the strongest force of cohesion among them; and that by so acting it best develops and deepens its own organic unity.

REFLECTIONS ON A NEW EUROPE

'We must leave something to be done by our descendants.'

MR. CHURCHILL.

If measured by its results, British policy in Europe between the two wars gives rise to an acute sense of failure. It is improbable that the historian will wish to change the contemporary verdict on a policy which succeeded neither in preserving peace nor in maintaining our prestige abroad nor even in uniting the British people in its support. To estrange friends without placating enemies will not look like success, from whatever distance in time it may be viewed. In the fifth year of this war, when the end, though not in sight, is yet felt to be within range, the problems of Europe after the war inevitably attract wide interest and attention, and the moment is opportune to enquire whether the causes of past failures in British policy have been eliminated by the impact of events. Whatever the answer, no one is likely to regard it as a guarantee either of the millennium or of final ruin. The failure of British policy was only one of many causes of this war, and the future, like the past, will be determined in part by men and by ideas outside our control.

Why, in the 'twenties and the 'thirties, did our policy in Europe fail? Primarily because it was an attempt to make bricks without straw. It expressed the mind of a nation which had lost touch with the realities of power and fallen under the spell of abstract notions like collective security, the rights of minorities and the principles of humanitarian liberalism. We thought—to use the jargon of those days—that in the realm of politics we had the best ideas and that Europe wanted them and would be content in their contemplation to turn its swords into ploughshares. We came to believe that our influence abroad could be maintained in face of a decline in our armed strength and indeed that the moral force of our philosophy was in some way enhanced by the pertinacity with which we starved and neglected the fighting services. In a world of expansionist peoples and ambitious dictators, we called for "a firm stand" and to many of us that was synonymous with an aggressive speech.

The policy which represented faithfully the general mood of the nation in those years was still the subject of acute controversy at home. We allowed ourselves to become open partisans in every continental problem. The Foreign Office had its French party and its Catholic group. The *Front Populaire* roused passions in English breasts hardly less violent than in France. The nation was divided into those who thought that Soviet Russia could do no wrong and those who thought it could do nothing right, into those who bled with republican Spain and those who welcomed Franco as the paladin of human decencies. For the few who were acutely conscious that the world could not rely on Hitler or Mussolini to keep his word and that little else about them mattered, there were many whose faculties were blunted and whose judgment was warped by contemplation of the façade

of order and organization erected by the Nazi and Fascist régimes in the day of their material splendour. Every racial minority in Europe had its active and intolerant supporters amongst us, and there was nothing strange in the appearance of the late Lord Rothermere as the champion of the Magyars except his failure to strike a deeper chord in the hearts of his fellow countrymen. Their sense of the ridiculous had for once got the better of their weakness for an exotic cause.

Such domestic controversy about foreign policy is the inevitable and baleful consequence of immersion in the internal affairs of Europe when no British interest is involved. We have never lacked men and women of strong character and individuality who know a small part of Europe so well that their minds are closed to any wider picture. But we have remained as a nation in general ill-informed on the history and institutions, the politics and the way of life of the peoples of the Continent. The conduct of foreign policy, in these latter days of universal suffrage and the popular press, is exposed, like any other branch of administration, to all the winds of public clamour, but the instinctive processes of correction, which are the only safeguard of a democracy against the extravagances of the expert or the charlatan, are inevitably less effective in the sphere of foreign policy than in domestic affairs. For the subject-matter is not bred in our bones. In such conditions there can be no adequate insurance against the risk of a weak and vacillating foreign policy except a consistent tradition in Governments and in the permanent services of the Foreign Office of measuring every problem by the test "What do British interests, in the widest sense, require?" For foreign policy in the last analysis leads on to peace or war and it has yet to be proved that this nation or any other will endure modern war to the end unless its national interests as it conceives them are at stake.

We should all agree that the dominant British interest in Europe, in the future as it has been in the past, will be to see peace and stability, trade and economic prosperity. We should probably agree too that it is a British interest that Western civilization, the inheritance of over 2,000 years to which we are coheirs, should not perish from the Continent, leaving us in these islands as its only remaining stronghold between the younger and immensely powerful but still subtly different civilizations of Russia on the one hand and the New World on the other. If we are to draw any valid lesson from the tragic story of our generation in Europe, it can only be that in the pursuit of those aims we must have a policy commensurate with our means, that is to say, a policy which eschews commitments beyond our power to meet without shrinking from commitments necessary to buttress our own limited human and material resources. But no one whose mind is not closed to all sense of reality can fail to be conscious of the gulf which stretches uncharted between the simple statement of such objects and their fruition. We see Europe to-day like some stage background on which the scene-shifters are at work in the obscurity of those brief moments between one act and another. We do not know what will confront us when the lights go up, what will remain of the vast and intricate material apparatus of

modern life, what new ideas or what strange temper will have laid hold of the men and women who survive. Wherever we look there is uncertainty and we cannot even be sure how much of what is now hidden gives ground for hope and how much for despair.

It is worth considering both the depth of our ignorance and the probable value of such clues as we possess. The war will end when the "life is beaten out" of the German armed forces and the Nazi régime, and the United Nations are agreed that it ought not to end sooner. No man living can tell us what will be left in Germany when the Nazis and the militarists are broken and dispossessed, whether leaders will be found able to substitute some other form of organized government, whether the mass of the German people will retain either the desire or the vitality to follow such leaders if they arise or will sink back into anarchy or an apathetic reliance on the armies of occupation. Nor, if we attempt to look further ahead, can we know what lessons Germany—and in Germany above all that younger generation which has been the victim of Nazi education—will derive from military defeat. Will it recognize that world domination was, and will always be, an unrealizable dream? Or will it seek revenge and prepare again in secret for another attempt to subject Europe at least to its will? These things are hidden in the womb of time. The United Nations are committed to the unilateral disarmament of Germany. If their measures are to be effective they must entail far-reaching disturbance of the whole industrial and economic structure of the country. In the long run it is improbable that the world can have any guarantee of German disarmament except the resolve of the Germans themselves not to resort to war as an instrument of national policy. But what will be the reaction of an intermediate period of enforced passivity and subordination on a people physically exhausted and, as we must hope, mentally and spiritually tortured by its own thoughts as at no time since the Thirty Years War, only the future can show.

If Germany is an enigma, what of the other nations of Europe and in particular of occupied Europe? Wherever we look we can see that defeat and privation, the ignominy and the horrors of Nazi occupation, have roused all the latent fires of nationalism. It is the indomitable spirit of national unity, the inflexible will to preserve not communism but the soil of Russia, that have brought our ally through the furnace. If Frenchmen to-day are divided, if combatant France looks on the men of Vichy with bitter scorn and hatred, it is because the active collaborators and the faint-hearted alike seem to the eye of resistance to have lost faith in the national heritage and to have forgotten the duties and the privileges which have come down to all her sons from the historic past of France. In Norway and in Holland, in Greece and in Jugoslavia, in Poland and in Czechoslovakia the same proud spirit of men who have known freedom and independence is at work. When peace comes and the ban of oppression is lifted and the families of these nations are reunited in the flesh, their first task will be to rebuild moral and political unity within their own boundaries and to re-establish the forms of government which seem best to themselves. Neither the trials nor the duration of that period can be measured to-day.

To these unknowns must be added a third. What part will be played by the United States in the future of Europe? Few, even amongst Americans, would care now to give a confident answer to that question. It is not merely that the workings of the American constitution are inscrutable. American policy is still fluid because public opinion is not clear-cut. The old influences which made for isolation may have been weakened but have not been eliminated. There is no anti-British party but there is still anti-British sentiment. Many millions of American-born citizens are the sons of parents who shook the dust of Europe off their feet when they emigrated—an act which to their children has seemed to be at once symbolic and actively meritorious. On the other hand, powerful forces are tending to take America out of the isolation of the New World into the habit of thinking, however reluctantly, as a world Power. Twice in one generation the United States have been involved against their will in a world war. They have become possessed of bases, or the right to use them, in every corner of the globe and the consequences of that position are in the end inescapable. Mastery of the air, in which their possibilities are unrivalled, is compressing the earth daily within a smaller compass. These are potent reasons for thinking it unlikely that America will again abandon Europe as in 1920. But they ought not to encourage the belief that American parents or sons will take lightly to the prospect of a protracted military occupation of the Reich or that public opinion in the United States will ever be anything but intolerant of the petty squabbles and the traditional rivalries which have loomed so large in the history of Europe.

When so much is obscure, those who are responsible for British policy ought not to be charged with unimaginative timidity if they wish to feel their way. We are pledged to work for twenty years in defensive alliance with Soviet Russia. If the Russian treaty is to be, as the Foreign Secretary said when reporting it to Parliament, "an indispensable basis for European reconstruction", much patient labour and a wise restraint in written and spoken comment will be required of all who are brought into touch with Anglo-Russian relations. There is an uncompromising novelty in the outlook and the methods of the children of the revolution, and neither the effects of twenty-five years of insulation against contact with the outside world nor the recollection of British hostility in the early years of Bolshevism can be erased overnight. But although these things and the general remoteness of the two peoples, ethnically, linguistically and geographically, make the risk of misunderstanding palpable and possibly continuing, the partnership has the immeasurable advantage of resting on a genuine mutuality of interest. We both need an insurance against the recurring danger of German aggression and time to pursue the tasks of reconstruction, whilst in the economic and commercial sphere our relations can be widely expanded to the lasting benefit of both countries.

If the belief is well founded that Germany by its central situation and the numbers and accomplishments of its people cannot fail to be a powerful influence in shaping the destiny of Europe under whatever political forms the Continent may be organized, then the need for caution and an unfailing

realism in our own European policy is further reinforced. For we cannot afford to allow that influence to be exercised until the German people by their free choice decide that it shall serve the aims of peace rather than war. That choice presupposes for them—to adapt a Nietzschean phrase—the “revaluation of all values”, the recognition that aggression will be crushed and war must end again in disaster. In 1918 we shared with France responsibility for attempting to curb German aggression without rebuilding the power of Russia on her eastern flank. Our own security demands that we should not repeat that blunder in reverse by leaving only weak or neutral states between Germany and ourselves on the west. A combination in western Europe that will reinforce our own strength during the years in which the German people are engaged in the painful and probably protracted process of re-educating themselves for European citizenship is an essential interest not only of Great Britain but of Russia and the United States. Whether it is brought about on the lines foreshadowed by Field-Marshal Smuts or by other means and in another form, it must involve commitments by this country which fall within the golden rule that our policy shall be commensurate with our means.

Such language may seem lacking in precision or in boldness. Other voices are heard attuned to other notes. The traditionally sentimental approach of the British mind to the peoples and problems of Europe still survives in those who would have us judge any policy by the test of whether it does “justice to Germany”. Yet justice, not tempered with mercy or human charity or any thought of expediency, might well ordain for the German people a fate indistinguishable from that of the islanders of Melos. Many, again, who are neither mawkish nor dogmatic, may be tempted to embrace the wider optimism that believes “a radical advance towards unity in Europe immediately after the war is necessary for lasting peace”,* and to join in sketching the institutions appropriate to a continental federation of nations which have broken down under the task of governing even themselves. But these random reflections will have served their purpose if they suggest to the readers of *THE ROUND TABLE* that in the words quoted at the head of this article the Prime Minister was enunciating a profound truth and not merely giving whimsical expression to a momentary sense of the difficulties of conducting British policy.

* Sir Walter Layton, *The British Commonwealth and World Order*, Sidney Ball Lecture, 1944.

DELEGATED LEGISLATION

THE GROWTH OF REGULATIONS

WHEN the ordinary householder, popularly symbolized in the figure of John Citizen, on coming down to breakfast finds on his table, as he has often found before, an uninviting buff-coloured envelope, addressed to him ON HIS MAJESTY'S SERVICE, which on being opened is found to contain yet another set of regulations with which he must comply or yet another form which he must fill up, possibly both, he is apt to growl that "They" have been at it again. His discontent is not lessened by the discovery that failure to comply with the regulations, which may affect any detail of his ordinary life from the business of selling a pig to matters of even greater moment, or inaccuracy in the form-filling (an art in which he does not excel) may involve him in dire pains and penalties, though the form may relate to the hardly intelligible complications of the latest amendment of income tax law.

If asked whom exactly he means by "They" he will probably reply vaguely and with growing irritation, if at all, "the authorities" or, if he has a tendency towards the highbrow (which is unlikely) "the bureaucracy". He does not mean Parliament, an institution for which he has the highest respect. But his sentiments on the subject of officialdom and its methods are very different. Whether articulately or not he feels that he is being harassed and ordered about, not by King, Lords and Commons, but by some obscure and unidentifiable gentleman hidden in the recesses of Whitehall, wielding the powers of Leviathan, and issuing his decrees in the name of that august abstraction The Crown.

A LONG-STANDING PROBLEM

JOHN CITIZEN may not know it, but he is confronting a problem which has for a long time past engaged the attention of many wise and learned men, and bids fair to become an active issue of practical politics—the problem of Ministerial powers by way of delegated legislation and of judicial or quasi-judicial decision. The literature on the subject is considerable. In particular the publication in 1929 of a book entitled *The New Despotism* by the late Lord Chief Justice of England seems to have been an important contributory cause of the setting up in that year by the then Lord Chancellor of a Committee of impressive weight and authority to consider the matter and "to report what safeguards are desirable or necessary to secure the constitutional principles of the sovereignty of Parliament and the supremacy of the Law". To the report of this Committee, published in 1932 as a Parliamentary Paper,* and to a book *Concerning English Administrative Law*, in which, in 1941, Sir Cecil Thomas Carr, Editor of *Statutes Revised, Statutory Rules and Orders*, &c., and now Speaker's

* Cmd. 4060.

Counsel, reproduced six lectures delivered by him in the year before at Columbia University, the writer of this article desires once for all to acknowledge his indebtedness in what follows.

Delegated legislation means generally the exercise by an executive officer of the Crown, a Minister, or by some other subordinate authority or body, of a power, conferred upon him or it by a statute enacted by the Legislature, of making rules and regulations having themselves the force of law for the better or fuller carrying out of the purpose of the statute. The same words are also used to mean the rules and regulations themselves. Delegated legislation is not in itself a new thing. As long ago as 1717, for instance, the Mutiny Act of that year gave the Crown authority to make Articles of War "for the better government of His Majesty's forces as well within the Kingdoms of Great Britain and Ireland as beyond the seas" providing for courts martial with power to inflict pains and penalties. But in the hey-day of *laissez faire* in the nineteenth century when "the main functions of government in England were those of defence and police", when "State Departments were few in number, and the management of the life of the people was not regarded as a function of Government... Parliament was well able to pass all the necessary legislation itself, and there was no need to resort to any extensive delegation of legislative power." Very different is the state of things to-day. To an ever-increasing extent ever since the latter part of the nineteenth century, and particularly since the close of the first decade of the twentieth, Parliament, responsive to public demand, has concerned itself with the "management of the life of the people", and has enacted a whole series of statutes so far-reaching, and so intimately affecting the life of the individual, that it would have been quite impracticable for it, within any possible limits of time, itself to set forth all their detailed implications in statutory form, even had a numerous popular assembly been a body suitable for the purpose. And it has done this under a constitution in which, as the Committee has pointed out, while the legislative, executive and judicial functions of sovereignty are broadly distinct, there is no absolute separation between them such as the constitutions of France and the United States have endeavoured not too successfully to establish; but in which there is a "wide borderland where it is convenient to entrust minor legislative and judicial functions to executive authorities". The flow of statutes has fed the springs of a flood of delegated legislation which has given rise, as has been seen, to some misgivings about the sovereignty of Parliament and the supremacy of the Law.

VARIETY OF PRACTICE

DELEGATED legislation has taken a number of different forms. There is first of all the traditional and impressive procedure of the issue of Orders in Council by the King himself, acting by and with the advice of his Ministers and empowered by statute so to act, such as the Orders making Defence Regulations under the Act of 1939. (We are not concerned here with Orders of His Majesty within the sphere in which his prerogative has not been

limited by statute.) Then there are the whole mass of orders, special orders, rules, regulations and the like, issued by government departments under the instructions of Ministers charged with the duty of administering statutes; there are rules of court made by judges with the approval of the Lord Chancellor; and there are by-laws made by municipalities and by corporate bodies such as railway companies. By whatever name they are called they are all much the same kind of thing, and it is convenient to use the one word "regulations" as applying to all of them. Neither in respect of nomenclature nor in any other respect has the making and issue of these proceeded on any consistent predetermined plan. Following the customary British empirical method, they have been issued from time to time as and when and how seemed most convenient for dealing with the particular matter in hand on any given occasion. Some of them come into full force forthwith upon publication. Some of them require the prior approval of Parliament before coming into force; some are required to be laid on the Tables of both Houses to come into force on a prescribed day, unless either House shall by resolution have expressed disapproval of them; some come into force on publication but can be annulled, without prejudice to anything lawfully done under them, by resolution of either House.

The whole process of more or less unregulated regulation-making looks haphazard; but it is obvious that there is great convenience in it, indeed that within a very wide sphere it is indispensably necessary. We have seen that it makes it possible to put through a great mass of public business, often of a highly technical character, with which Parliament itself could never have effectively dealt by its elaborate and lengthy method of legislation. And the process, being flexible and elastic, can be easily adapted to meet changing circumstances. The hand which made can unmake; and a Minister who has made a regulation can by a stroke of the pen annul or revoke it if he finds that it has grown obsolete or that he has produced a shoe which pinches the toes of John Citizen too tightly. If the content of the regulation had been part of an Act of Parliament a further amending or repealing Act would have been required for the purpose. Parliament itself has indeed sometimes gone very far in the direction of delegating its law-making authority. A conspicuous instance of this is afforded by a clause inserted in some Acts—for instance the Local Government Act of 1888 and the National Insurance Act of 1911—conferring power on the appropriate Minister to modify the provisions of the Act itself, and sometimes even of other Acts as well, so far as may appear to him to be necessary for the purpose of bringing the Act into operation. This clause has been picturesquely, if not very appropriately, nicknamed "the Henry VIII clause", with reference to the autocratic propensities of the Tudor monarch. It is certainly an extreme step for Parliament to clothe a subordinate authority with power to amend its own work.

RISKS AND SAFEGUARDS

OBVIOUS as is the convenience and necessity of the process of delegated legislation, it is also obvious that there is danger in it for a liberty-loving

people which prides itself on living under the rule of law: and that the danger might be grave if the power of regulation-making were not for the most part in the hands of the most loyal and devoted body of public servants on earth, the British Civil Service. It is true that the sovereignty of Parliament is in theory untouched, and that the House of Commons' control over the executive is sufficient to enable it to discipline a Minister who may use his powers in ways displeasing to it. But the House of Commons is a very busy and much preoccupied body, with limited time at its disposal; and, clearly, if it could devote the same attention to regulations as it does to the enactment of statutes there would be little object in delegated legislation.

It is true, too, that recourse may be had to the ordinary courts of law if it is contended that any regulation is *ultra vires* of the authority which made it, and that such action has, upon occasions, been taken with success. But it also remains true that the wider and more general are the terms of a statute, and the more of its subject-matter is left to be dealt with by regulation, the greater will be the difficulty of determining whether a regulation is *ultra vires*, and the greater will be the risk that a regulation made *intra vires* may invade the reasonable liberty of the subject.

Moreover there is risk, especially now when the exigencies of war constantly call for the hurried issue of government orders backed by penal sanctions, of such orders being insufficiently widely known. Everybody is supposed to know the law; and in ordinary times people generally do know it as it affects themselves. But nobody reads the *Gazette*. If one did he could hardly ever read anything else. Nor does everyone constantly listen to the wireless; and it is not fair that a citizen should incur penalties for breach of a regulation of the existence of which he has not had reasonable opportunity of knowing. In ordinary times departments proposing to make a regulation often consult in advance particular interests specially affected, and accompany the issue of the regulation itself with an explanation of the reason for it. This is sound practice; and in this war the Government, under Parliamentary pressure, has promised to observe it. Its non-observance would be apt to lead at least to mystification, as in the case of a Defence Regulation mentioned by Sir Cecil Carr which has suspended the Wild Birds Protection Act so as to allow the destruction of the peregrine falcon and its eggs. The military object to be served is not obvious until it is explained that this rare bird suffers from an unfortunate predilection for the flesh of carrier pigeons. Again because Civil Servants, able and industrious as they are, are only human, there is risk that departmental regulations, especially if rushed out in a hurry, may suffer from imperfect or ambiguous drafting, and thus lead to trouble and misunderstanding.

THE COMMITTEE OF 1929 TO 1932

CONSIDERATIONS such as the foregoing were of course present to the minds of the members of the Committee on Ministers' Powers who, sitting as they did from 1929 to 1932, had before them, along with much other material, the history of the emergency legislation of the war of 1914-18. Their conclusions may perhaps be fairly summarized by saying that they found

DELEGATED LEGISLATION

that delegated legislation was, within limits, legitimate and indeed inevitable; that Parliament was itself open to criticism for the unsystematic methods by which it had often delegated legislative power, and for having paid insufficient attention to the distinction between normal and exceptional practice; that they did not find that great mischiefs had in fact arisen out of the system, or lack of it, in existence; but that they recognized that the risk of mischief was inherent in it and might become more grave as the sphere of legislative activity increased. The recommendations of the Committee were neither very drastic nor very far-reaching. They were all in the direction of greater systematization; of more precision in the use of language in statutes and in the definition of the limits of delegated law-making power; of better provision for Parliamentary supervision of the results of the exercise of that power; of ensuring that regulations when made should receive the fullest publicity; and that the practice of consulting interests specially affected about draft regulations and of attaching explanatory notes to them when published should be so far as possible extended. The Committee did not go so far as to recommend that "the Henry VIII clause" should never be inserted in any Bill, but they advised that its use should be abandoned in all but the most exceptional cases, and should not be permitted by Parliament except upon special grounds to be stated in a Ministerial memorandum attached to the Bill. Definition of the terms "exceptional" and "special" is of course impossible.

The second part of the reference to the Committee related, as we have seen, to the delegation to Ministers, or to authorities appointed by them, of powers of judicial or quasi-judicial decision. Space will allow of but brief reference to this part of the Committee's subject which is technical in character, and, generally, of less immediate interest to John Citizen than the first part. But its importance, from the point of view of the rule of law, is undeniable. We are dealing here with the borderland between the executive and the judicial functions of sovereignty. In some, comparatively rare, instances Parliament has, for good reasons of practical convenience, delegated to Ministers or to Ministerial tribunals the power of making what are in the full sense judicial decisions in cases of dispute such as would in the ordinary course be dealt with by the ordinary courts—that is to say the duty of ascertaining the facts by taking evidence, of applying the law to those facts, and of deciding accordingly, whatever the consequences may be. An instance is afforded by the National Health Insurance Act, 1924, which relates only to employed persons. A dispute may arise as to whether the employment of a particular person is employment within the meaning of the Act. This is determined by the Minister acting strictly judicially. The delegation of the power of quasi-judicial decision is more common. This also presupposes a dispute between two or more parties and may involve the ascertainment by evidence of facts, but when the parties have been heard and the facts, if necessary, ascertained, it is within the Minister's power and discretion to take certain action or not as he may think best in the public interest.

The conclusions of the Committee on this part of their subject do not

differ much in kind from their conclusions on the first part. They assume the necessity of maintaining and strengthening the supremacy of the Law. They do not go so far as to say that the power of judicial decision should never be delegated to a Minister for reasons of administrative convenience; but this should not be done without "some very special and exceptional reason" (these indefinable words obstinately recur) if only because there is a risk that a Minister when he should be acting judicially may be influenced, even if unconsciously, by the policy of his department and thus, to that extent, made judge in his own cause. They do not disapprove of the delegation of the power of quasi-judicial decision; but again their recommendations are all in the direction of instituting safeguards against possible risks. Thus where a Ministerial decision has to be taken all parties concerned must be most fully heard, decisions should be given in the form of reasoned documents, and any party aggrieved by a judicial decision of a Minister or Ministerial Tribunal should have an absolute right to appeal to the High Court of Justice on any question of law.

POSSIBILITIES OF PARTY CONFLICT

ON its whole reference, the report of the Committee, interesting as it is, appears to have suffered the fate of many such documents in that nothing very striking has been done to give effect to its recommendations. There for the present the matter rests; but it is one which bids fair to become of increasing importance in the brave new world of reconstruction and planning which (for it would be impious to doubt it) we are to expect after the war.

If Government is to preserve the going out and the coming in of every individual from his prenatal state, through his birth and infancy, through the period of his education up to the age of 18, through his years of employment or unemployment, his marriage and parenthood, in sickness or in health, till his pensioned old age ends at last with his not inexpensive obsequies as envisaged by Sir William Beveridge; if Government is to do all that, then either the Mother of Parliaments must show herself far more fertile of statutory offspring than even she has ever been before or regulations must gush forth from the departments in a torrential stream—possibly both. *Qui veut la fin veut les moyens.* Herein lie possibilities of party conflict. Doctrines of *laissez faire* have vanished, like the old Liberal party which professed them, with the snows of yesteryear; and neither of what are now the two main parties in the State shrinks from government interference as such. Conservatism, as has been well said by one of its leading statesmen,* does not "imply any reluctance to exercise national direction and control whenever and wherever they may be needed in order to make individual activities coincide with the public interest". But it believes in individual effort and in the individual desire to excel; and it cherishes to a degree which the Socialistic party does not a veneration for our most time-honoured institutions, the High Court of Parliament and the established Courts of Law. Such is the Disraelian tradition.

* The Rt. Hon. L. S. Amery, *The Framework of the Future*, p. 137.

DELEGATED LEGISLATION

It is not without significance that in notes appended to the report of the Committee which has been so fully drawn upon above the two members of the Committee specially representative of advanced Left Wing opinion deprecated the idea that the delegating of legislation was something "to be watched with misgiving and carefully safeguarded". On the contrary, they were of opinion that "the power to make regulations, instead of being grudgingly conceded, ought to be widely extended, and new ways devised to facilitate the process". They would have Parliament deal only with the principles and general plan of proposed legislation, details being left to the experts; and even go so far as to suggest that it would be better if the Committee stage of a Bill did not come before Parliament at all. All this, of course, with a view to such far-reaching legislation as has been indicated above. So recently as March 6 last Mr. Herbert Morrison, the Home Secretary, is reported * to have suggested, in more restrained terms,

"that we shall have to try to conceive our legislative measures on lines of broad principle and of finance, so that Parliament can express its will on fundamentals. This should simplify and shorten Committee discussion. Then Parliament must be prepared to leave to the executive the task of working out the details, within the policy Parliament has approved, and implementing them by means of departmental regulations and order. This means, and we have to face the fact, that we may have to accept in peace-time rather more use of delegated legislation than we had before the war."

RIGHT AND LEFT WING VIEWS

Now it is manifest that the vaguer and more general, not to say the more platitudeous, is the language of a statute, the more the sovereign power of legislation is in effect transferred from Parliament to the executive. For it is nearly always harder, and generally more important, to establish the minor than the major premiss of a syllogism. The Conservative party has been and is less likely than the Socialist to be in the future prepared to contemplate such transfer with equanimity. No one in England, of whatever party, likes arguments pressed to their ultimate logical conclusion, but the observation may nevertheless be hazarded that, in theory at any rate, it would be possible for Parliament to pass an Act in one clause providing that it should be lawful for His Majesty to make any Orders in Council which he might deem expedient for the peace, order and good government of the realm. Parliament would thus have virtually abolished itself and set up in its place an unchecked autocracy of the executive. Such an anti-democratic revolution is, happily, not to be apprehended in practice; but even short steps in that direction such as some Socialists seem to contemplate, paradoxically (for the word "democracy" is ever on their lips), are steps away from the rule of law. And it behoves John Citizen, if he dislikes buff-coloured envelopes and their contents, to beware lest his descendants, having reached the social millennium, find that they have lost their liberty or at least their "leave to live by no man's leave, under the Law".

* *The Times* report, March 6, 1944.

FRANCE BACK IN THE BATTLE

THE RIVAL GENERALS

“FRANCE”, General de Gaulle said in June 1940, “has lost a battle. She has not lost the war.” Argument continues to rage about General de Gaulle’s personality and ambitions: there is none about the rightness of his vision four years ago or the quality of his patriotism since. Time has tested and proved both with an emphasis it has been given to few men to enjoy. In June 1944 leadership lies indubitably in his hands. By the time these words are read it may be that the new armies of France will be standing again on the soil of the motherland, taking up anew the battle from which palsied men withdrew in 1940. The stages by which this point of national recovery has been reached may be briefly traced.

The growth of the movement of resistance has been both steady and systematic. In the beginning some thousands of soldiers, sailors, airmen and technicians responded to the call. A large part of the empire rallied to the cause. In France, however, only the few heeded the voice from London which bade them not to despair but to raise their hearts, close their ranks and defy the enemy. The mass of the people were stunned and stupefied by the capitulation. There was a mood of dull resignation, hopelessness and helplessness. Still worse, it was felt that the fate of France would within a short span be shared by Great Britain herself. Significant of the despair was the number of Parisian journalists who made their way, not to London, where the bombs were soon to fall, but to the United States, not then in the war and in any case 3,000 miles from the battle-field. Those who came to London did a service greater than they knew. It is no exaggeration to say that at that time most French men and women looked to Marshal Pétain to ensure some sort of future for them. Not to recognize this is to mistake the measure in which France has recovered her poise and regained her self-respect. *De profundis* may well be applied to the agony, the atonement and the achievement.

The British Government’s agreements with General de Gaulle’s movement seem strange in retrospect, but in the best sense they were acts of faith—and faith was the quality which counted most in the circumstances which then obtained. Later the Free French became the Fighting French: the change of name marked a growth of stature and authority. Later still the Fighting French became the main force within the French Committee of National Liberation, recognized by Russia—but not by Great Britain or the United States—as the acting Government of France. It is no secret that the process has not been easy. There was the unhappy Darlan episode in North Africa. Most observers now probably are agreed that the political side of the great Mediterranean enterprise was badly bungled. General de Gaulle was rigorously kept out of it. Instead, Admiral Darlan (of all persons) was, after much muddling, chosen to secure that co-operation of the French which

was rightly regarded as necessary for the success of the military operations. When an assassin (a royalist, it was said) removed him from the scene, General Giraud—an honest soldier, a true patriot and a good friend—was entrusted with the responsibility of directing affairs. Thus two competitive administrations threatened to grow up—General Giraud's in Algiers, General de Gaulle's in London. The position was as anomalous as it was dangerous. It could not endure. Fortunately partisanship was set aside and wiser counsels triumphed. The two generals—thanks in large part to the mediation of the sage General Catroux—reached an understanding, out of which grew the French Committee of National Liberation and the Consultative Assembly. For practical purposes the one is a Government, the other a Parliament. This was a turning-point. When eventually General de Gaulle was allowed to go to North Africa the public acclaim was unmistakable.

GENERAL GIRAUD'S DEPARTURE

In its original conception the Committee of Liberation had General de Gaulle and General Giraud as co-presidents. If the truth has to be stated, the arrangement was never other than temporary. General Giraud had, and has, no popular support in France; certainly no party support. He is not, and has never wished to be, a politician. Indeed he is said to have expressed more than once his disgust with politics. That may have been a cynical view; his heart was essentially in soldiering. It soon became apparent that there could be only one political head of the Algiers administration, and that General de Gaulle was marked out for the position. So it happened. General Giraud became first Commander-in-Chief of the French forces, and then—on a decision of the Committee of Liberation—was appointed Inspector-General. In effect, it meant that he was removed from active command, leaving General de Gaulle the leader without a rival. General Giraud, as one would have expected him to do, refused the post. With the dignity innate in his character, he retired from the scene. The episode was misunderstood and even misrepresented. It was regarded by certain circles in Great Britain and the United States as exposing and exemplifying General de Gaulle's lust for office; as just one more step to the attainment of dictatorial, or at least authoritarian, power. The facts were much more prosaic and inevitable. General Giraud was held to be not altogether suited to the rhythm and rigours of modern war, and also to be too prone to surround himself with subordinates who were patriotic but elderly. It can be said that in high Anglo-American quarters his departure, although regretted, was accepted as necessary. That the change strengthened General de Gaulle's own position was incidental and accidental.

In viewing these and other matters account must be taken of an overriding consideration. Long before the Fighting French movement transferred its headquarters from London to Algiers a marked change had come over its mood and modalities. This was due to the arrival and influence of delegates of the resistance movement from inside France. With the transfer to Algiers the influence became even more decisive. It was probably the deciding factor in bringing about the departure not only of General Giraud

but also of other members from the Committee of Liberation. It determined the temper of the Consultative Assembly. It moulded General de Gaulle's policy—and his personality too—more and more. Some foreign observers were slow to note the change, preferring to go on thinking of it in the old terms of the general's bid for supreme personal power.

FROM RESIGNATION TO RESISTANCE

It is not possible within the space of a single article to trace the transition from resignation to resistance in France. The subject requires and deserves separate treatment. All that can be done here is to indicate the broad phases of the movement and their bearing on the attitude and outlook of Algiers. The return of hope to France dates from the R.A.F.'s victory in the Battle of Britain. Almost for the first time French people began to doubt the inevitability of the capitulation and the rightness of the Marshal. Then, when Laval openly proclaimed his desire for a German victory and lent himself to the conscription of his compatriots, both men and women, for forced service in the German war effort, the revulsion was instant and—for Vichy—disillusioning and disastrous. France was France still.

What ideas the resisters in France have about the Fourth Republic cannot be defined with any certainty at this stage. The country is under the heel of the temporary conqueror, and if the first consideration is how to be rid of the hated enemy that ought not to surprise us. The unity behind General de Gaulle does not spring from a new political gospel he had promulgated, because it is at least doubtful whether he himself is yet clear about the future order in France. The unity has a narrower, more practical basis. There is a categorical imperative which unites French men and women. The freeing of France comes first. Everything else is subordinate to that. How could it be otherwise? We find, therefore, that supporting General de Gaulle and represented in the Committee of Liberation and the Consultative Assembly are the most diverse elements. The resistance movement draws its strength—to use a conventional and perhaps outmoded nomenclature—from the extreme Right not less than from the extreme Left. It would indeed be surprising if General de Gaulle saw eye to eye with them or they with him on all issues. On one issue—the overthrow of the enemy—they know no dissent, they admit no compromise.

One phase of the resistance calls for special notice. When—as already mentioned—Laval, in compliance with German demands, agreed to call up young Frenchmen for labour service in German war factories, many thousands refused to obey the summons. Laval himself represented the call as one of the highest patriotism. He even invoked the treasured name of *fraternité*. Were not—the Vichy spokesmen argued—young Frenchmen discharging a sacred duty when they undertook to serve Germany so that their older compatriots, prisoners of war since June 1940, might be relieved and return to their homes and families? The *relève* it was fraudulently called. For the most part the response was negative. Instead of obeying the Berlin-Vichy demand the young men of France took to the *maquis*. It is said—and there is no reason to doubt the assertion—that these young men were as

eager to join the *maquisards* as the young men of Great Britain were to join the R.A.F. Thus began the war in the *maquis*. The story will be told in full one day of how these young men—many of them mere boys—left their homes to endure privations and perils in the mountains and forests; how they trained with weapons too few to go round; how they built up a force strong enough to pin down many German divisions; how at many a lonely farmstead they fought until the last cartridge had been fired. The men of the *maquis* expressed the fighting spirit of France.

L'AFFAIRE PUCHEU

It is in the light of this fierce spirit of the resistance movement that the trial and execution of Pierre Pucheu has to be considered. The case gave rise to sharp controversy in Great Britain and the United States—in strange contrast with the inevitability and righteousness with which most French people invested the matter. It was significant how many French men and women who were in no way of the Left or moved by political passion accepted Pucheu's death as an act of atonement. The French, it has been said, are under a sense of sin, and their feelings and actions will not be understood unless this is recognized. British jurists who found irregularities in the trial, and urged that it should have been postponed until it could have been held in metropolitan France, did not take sufficiently into account that this was a matter touching a people whose country had been overrun and who themselves were suffering hourly under the invader's yoke, aided and abetted by renegades of the Laval type.

About Pucheu's collaboration with the enemy there was no doubt. As Minister of the Interior in the Vichy Government he acted in the closest association with the German authorities. Technically France is still at war with Germany. The "soldiers' peace" of which Marshal Pétain emotionally and optimistically talked in 1940 has in fact never been realized. Only an armistice subsists between France and Germany: the state of war has never been formally or contractually ended. The Resistance Council in France had condemned Pucheu to death before he was ever brought to trial in Algiers. This savoured of the rough justice of a revolutionary tribunal, and was significant only in so far as it expressed the stern temper of those living under the German terror. In Algiers conditions were different. Pucheu was given the widest latitude. He made the fullest use of it. Among the witnesses for the defence whom he called was General Giraud. When Pucheu faced the firing squad he requested that he himself might give the order to fire. His request was granted. He cried, "*Feu!*", and fell dead. He died bravely. It has been bitterly and sadly said that if he had lived as bravely he would have served France better.

The subservience of Vichy to Germany has become worse as the movement of resistance has grown. It was exposed to the full in a humiliating letter which Ribbentrop addressed to Marshal Pétain on Hitler's instructions. The occasion of the letter is still rather obscure. It seems, however, that towards the end of last year the Marshal entertained the idea of convoking the National Assembly and changing the succession. (At present Laval is

designated the Marshal's successor as Head of the State.) There was to be also a broadcast to the nation. The broadcast was cancelled and the Marshal's proposals were rejected by the Germans. In his letter Ribbentrop upbraided the Marshal for his lack of collaboration; demanded certain changes in policy; and told him that he must accept the German will or go. The Marshal did not resign. Since then significant appointments have been made to the Vichy administration. Marcel Déat, a renegade Socialist and advocate of National Socialism, was made Minister of Labour and National Solidarity; Joseph Darnand, the French Himmler, was charged with the task of maintaining public order and given the widest powers, which he has used ruthlessly against all patriots, especially against the men of the *maquis*; and, finally, Philippe Henriot, a propagandist of the Goebbels school, became Minister of Information. It is unlikely that these appointments, with all they implied in the way of still closer collaboration with Germany, had the Marshal's approval. At any rate he was not in a position to overrule them.

THE ANGLO-AMERICAN ATTITUDE

ALL these and other developments led irresistibly to one conclusion. The decomposition of Vichy and the resurgence of France brought with them, although belatedly, salient readjustments of the Anglo-American attitude to the Committee of Liberation. As related earlier in this article, both the United States and Great Britain, in contrast with Russia, officially withheld full recognition from the Committee. The attitude provoked much criticism on both sides of the Atlantic; among French people, recovering from the despair of the capitulation and jealous of the national prestige, it created unnecessary bewilderment and distress. It was contended that if, for example, the Pierlot Government could be accepted as acting in the name of Belgium, then the Committee of Liberation, which—like that Government—had never lowered the flag and which controlled the second largest empire in the world, should be recognized as at least the provisional Government of a reborn France. The French felt the anomaly acutely. When, therefore, in April of this year Mr. Cordell Hull, on behalf of President Roosevelt, announced that the American Government were disposed to see the Committee exercise leadership in the freed territories there was deep relief among all those who had watched and worked for the recovery of France. Mr. Eden, in a brief statement to Parliament in May, swept away whatever lingering suspicion there may have been. He announced that the only authority which would be accepted by the Allies was the Committee of Liberation. His unequivocal statement was welcomed unreservedly in Great Britain, where an increasing number of people were already beginning to consider constructively what the relations with the France of to-morrow were to be. General de Gaulle himself was known to favour the revival in full vigour of the alliance between the two countries. Thus, after four years of separation and agony, the two countries were again drawing closer to one another. It was a good augury for them and for Europe.

CONTROL OF THE MINES

TWO YEARS OF A NEW MINISTRY

TWO years ago the Government assumed full control over the operation of the coal mines. The Mines Department of the Board of Trade blossomed into the Ministry of Fuel and Power equipped with the essential machinery of control both national and regional. There was no need for powers in addition to those available under the Defence Regulations, and the Government announced their intention to stop at operational control and not to introduce any fundamental alteration in the financial structure of the industry. The purpose of the control and the projected reorganization was stated in the White Paper presented to Parliament by the President of the Board of Trade (Mr. Dalton) in a sentence :

"In order to ensure that all practicable means of increasing output are adopted without delay and pressed forward vigorously, private interests being subordinated to the overriding needs of increased production, the Government have decided to assume full control over the operation of the mines and to organize the industry on the basis of national service with the intention that the organization now to be established will continue pending a final decision by Parliament on the future of the industry."

The Government thus undertook emergency powers of control without committing themselves to the continuance or to the dissolution of the new organization at the end of the war. In this open field they have from time to time been subject to pressure from the Mineworkers' Federation to take a deeper plunge into complete nationalization by adding financial control to operational control; but they have held to the White Paper policy and have not entertained the irrevocable proposal to mingle the finances of the industry like a scrambling of eggs.

It was a fortuitous circumstance that within a month the ownership of mining royalties and of the coal measures was to pass to the State by virtue of the Coal Act of 1938, but with little immediate practical effect owing to the war. Financial ownership remained with the mineowners and also the hope of some day regaining working control. They are the employers of the mineworkers, but subject both as to workpeople and staff to the provisions of the Essential Work Order. The Minister of Fuel has his own labour controllers to supervise the distribution of labour; but they do not possess disciplinary powers, and when, in the spring of 1944, it was decided to proceed against Durham miners practising *ca'canny* the official to act was the local officer of the Ministry of Labour and National Service.

THE COAL CHARGES ACCOUNT

NEVERTHELESS, though the Government have left the financial structure of the industry intact, they have not been able to stand entirely aloof from the

industry's financial problems. The Ministry of Fuel manages the Coal Charges Account, which *inter alia* bears the cost of war-time increases of wages and distributes it over all the undertakings. In effect the account is a financial pool, to which all undertakings contribute according to their output of saleable coal and from which they draw according to the increase of production costs attributable to general wage increases. By this arrangement the districts with higher wage standards have through the pool assisted the districts with lower wage standards. The first national minimum wage award, for example, had no effect on the wage payments in the coal-fields of the Midlands because the minimum standards were already at a higher level, but these coalfields contributed to the Coal Charges Account on which other districts were entitled to draw. Contributions to the Coal Charges Account are added in all cases to the cost of production and the industry is reimbursed by higher prices. It is the Minister of Fuel who decides what costs are chargeable against the Coal Charges Account, and it is also he who authorizes the increase of coal prices which replenish the fund. It follows that wage increases can be made only with the Minister's approval. So it comes about that the Minister responsible for the working control of the industry is at the same time the guardian of the consumer and he must have in mind, in the long view, the price which the foreign buyer, and not only the British user, will be prepared to pay when the markets of the world reopen.

DECLINING OUTPUT

AN impending deficiency in output (the result in part of reduced individual output per shift) and unrest among the miners were the reasons for the Government's assumption of control. The estimated gap between total output and growing industrial and household needs was 10,000,000 tons a year. A decline of the labour force began at the time of Italy's entry into the war and the fall of France. France and Italy ceased to be destinations for British coal and other Mediterranean markets were circumscribed. For a time there was an excess of man-power in coal-mining, and a crying need for men in the Army and in munitions factories, and the unemployed mining labour was greedily taken by the Army and the factories. A year later 33,000 of these men were brought back from industry and the Government arranged for the return of some thousands from units of the Forces at home not forming part of the Field Army. For one year the decline in the labour force was arrested, and when it again assumed alarming proportions—the natural wastage is between 20,000 and 25,000 workers a year—the Government first endeavoured in 1943 to attract volunteers, making service in the mines an alternative to service in the armed Forces—an entirely unattractive bait—and then at the end of the year resorted to compulsion and the arbitrary selection by lot of a proportion of the junior military classes for training as mine workers. The Government had by this time fixed the minimum labour force for the industry at 720,000. It had fallen below 700,000.

CONTROL OF THE MINES

A BOARD OF INVESTIGATION

ONE of the earliest acts of the Minister of Fuel in conjunction with the Minister of Labour and National Service was to appoint a Board of Investigation into wages and the wage adjustment machinery of the industry. An increase of wages was due. Not a little of the unrest in the industry was a result of the discovery that women members of miners' households, in areas where hitherto few industries employed women, could get work in new munitions factories and earn, after a few weeks of training and experience, as much as their fathers, and that men who had left the mines with medical certificates of unfitness (not difficult to obtain) were far better off than when in the mine. These simple facts naturally bred dissatisfaction. The Board of Investigation, with Lord Greene as the chairman, had immediately to consider a claim for a large increase of wages and a national minimum. The substantial increase of 2s. 6d. a shift for adult workers was awarded, and the tribunal conceded the principle of a national minimum, fixing two rates—83s. for the underground worker and 78s. for the surface worker. The tribunal also gave the miners immunity from a decline of the ruling (or current) percentage addition to the basis wage under the proceeds-sharing arrangement and, on its own initiative, recommended an output bonus scheme to benefit the workers of any mine which increased its production beyond a known target figure. Going against the judgment of the Board the industry elected to have a district bonus scheme which produced small results and disappeared in the larger wage revision of this spring. The satisfaction of the miners' leaders with their successes was undoubtedly and they joined emphatically in the rebuke of slackness in production. To help to bridge the gap from the other side the Ministry of Fuel began a highly successful campaign for fuel economy, especially in factories.

NEW SYSTEM OF CONCILIATION

IN the ensuing calm the Board investigated the negotiating machinery of the industry and developed a comprehensive system of conciliation, not as an emergency measure for war-time but as a permanent method for the effective settlement of all issues, national and local. The scheme was well devised to deliver the Government from the embarrassment of direct responsibility for wage settlements. But within a year the Government were themselves deciding, with little more than formal reference to the mineowners or the miners, the basis of piece-rate workers' percentages and other adjustments following an award of much higher minimum wage rates by the National Tribunal. There was no question of a reference back to the tribunal itself on matters it had deliberately left open pending an overhaul of the industry's wage structure. The Minister of Fuel took charge of events, and presented to the miners and the mineowners the decisions he had reached on the additional sum to be available for wages and on the precise way the amount should be distributed. It was a decision which had to be revised a little later under the pressure of widespread strikes, and more money had to be provided;

but in essentials it stood and what variations were made were in response to coalfield disturbances, not negotiations.

This latest chapter in the industrial and political history of coalmining began last October with the submission to the Minister of Fuel by the Mineworkers' Federation of a long set of proposals for increasing coal production. The production of coal was still falling; the industry was still losing manpower. The Minister himself had proposed that all pits working an eleven-day fortnight should work twelve days; that the coal faces should be cleared every day, even though it might entail overtime, so as to give the next day's work an unimpeded start; and, in certain contingencies, the working of one Sunday in four. Looking coldly on these suggestions the miners asked for an increase of man-power in the mines, an increase also of mechanization, the abolition of "dual control"—meaning that the Government should take over complete financial control and so establish *de facto* nationalization—assurances on wages and hours of work, pit-head welfare, stricter health and safety regulations and more research into coal utilization. This programme was followed by claims—made known directly to the Minister—for higher wages, more generous accident compensation, a national scheme for holidays with pay (already the subject of a claim to the National Tribunal) and an amendment of the output bonus scheme. Reference was also made to food supplies for miners and contributions to travelling expenses when they were unavoidably high.

As an administrative act the Minister of Fuel decided on the grouping of pit management by the appointment of group production directors, but stood firm against fundamental changes. The Government decided also on the compulsory recruitment of young miners, and introduced the scheme of direction which met with no opposition in the mining areas when it was certain that the method of direction would not bear unequally on the sons of miners.

THE PORTER TRIBUNAL'S AWARDS

THE wage claims were remitted to the arbitration tribunal, and Lord Porter, the chairman, announced its awards towards the end of January. The awards on week-end and overtime payments did not excite controversy except in Lancashire, where there was a temporary difficulty over the week-end shift payment. On the main claim the Tribunal raised the minimum wage rates to £5 a week for underground workers and to £4. 10s. for surface workers. (Incidentally they made a jump in the payment of youths working underground from 57s. 6d. at 17½ to 70s. at 18 which removed Mr. Bevin's difficulty with the directed youths, who here and there had gone on strike.) The mineworkers had appended to their national minimum claim an application for "a consequential rise in piece rates". The Tribunal took the view that it could raise the minimum rates and leave all other rates untouched at least for a period long enough to permit of a thorough overhaul of the wage structure of the industry. It said that an increase of piece rates was

"not consistent with the granting of what is merely a minimum wage and to give it might lead to a request for an increase in all actual wage rates whether of day or

piece workers. The consideration of so great a change must await the general overhaul of the wages structure which is long overdue."

A final paragraph emphasized this limitation of the award.

"The Tribunal . . . stress their view that the award they have given is merely a temporary expedient which will afford an opportunity for the wage structure throughout the industry to be reconsidered and thoroughly reviewed in conjunction with the general conditions obtaining in it."

Neither the mineowners nor the miners shared the view that the minimum rates could be raised by as much as 17s. a week for underground men and 12s. a week for surface workers without immediate adjustment of the wages of men whose standard rates were fixed by custom at varying amounts above the minimum. As it would have operated, at least in the overhaul period, the award would have telescoped a considerable number of skilled men's rates into the new minimum rates and dangerously narrowed the difference between day rate and piece rate earnings. The mineowners informed the Minister of their apprehension that trouble would ensue if customary differences were not recognized and that it was proposed to open negotiations in the districts principally affected. Major Lloyd George did not veto the negotiations, but he did inform the Mining Association that the Government "could in no way be committed by such discussions". Negotiations went very smoothly and in South Wales, in about a fortnight, had reached a stage at which the owners and the miners' leaders were ready to sign a local agreement raising the level of earnings from the bottom right to the top of the wages structure of the coalfield. Major Lloyd George meanwhile was in Yorkshire, attending the King and Queen on a tour, and on his return obtained a Cabinet decision which enabled him to announce that the new minimum wages would be financed through the Coal Charges Account, but (pending the overhaul of the wage structure) "the Government is not prepared to provide the cost of any increase in piece rates". He invited the two sides of the industry to discuss with him the overhaul of the wage structure.

STIRRINGS AND STRIKES

It was becoming manifest by this time what the South Wales precedent, if allowed, would lead to. There were stirrings in both Yorkshire and Nottinghamshire, where the minimum wage rates were least affected by the Tribunal's award. The miners' leaders in those areas gave warning that, if other districts raised piece rates, they also would claim the right to corresponding increases which would greatly add to the demands on the Coal Charges Account. This fact was behind the Government's veto, as well as the discovery that the effect of the voluntary wage revisions in certain districts would be "to circumvent the terms of the award and to double and possibly treble the total increase in the wages bill resulting from it".

When the joint meeting was held to discuss the overhaul of the wage structure the Minister of Fuel produced a prepared formula for the consolidation of basis rates by the incorporation of certain percentage and flat-rate additions, which made no difference to the men on the minimum rates but

benefited piece-rate workers everywhere by establishing a higher basis for the calculation of their rates. This higher incentive to production got rid of the piece-rate workers' grievance in the areas where the minimum rates were most affected and forestalled any grievance in the other areas by treating all piece-workers alike and enabling those doing well to do better. But the official record of the meeting said nothing about the craftsmen and the skilled men other than craftsmen. The omission of a reference to the craftsmen was apparently an error corrected a few days later, but there was certainly at that time no intention on the Government's part to do anything for the skilled day wage men. To have included the skilled men as well as the piece-workers would have brought about two-thirds of the general wage increase which the Tribunal had declined to sanction.

Strikes began, principally in South Wales, on the issue of increases for the craftsmen and the skilled men while in Yorkshire the wrong handling of the separate matter of coal allowances caused a serious stoppage there. The knowledge that the craftsmen were to be allowed an increase of a shilling a day eased the position in South Wales and elsewhere, but the house coal issue had to be argued out in Yorkshire. The earlier Greene award had laid down that, in calculating the national minimum wage, allowances in kind must be taken into account. It was an error of judgment for the Yorkshire miners' leaders to suppose that the men in that area would cheerfully acquiesce in the averaging of the value of the coal allowances instead of requiring individual calculations for the householders who actually received the coal. The single men protested and the proper course had to be taken; but not before the production of 1,000,000 tons of coal had been lost.

FOUR YEARS' BREATHING-SPACE

THE agreement stabilizes wages till June of 1948. This is a long period and the level of wages is high. No one can confidently foresee the future level of general prices, nor what the markets of the world will be prepared to pay readily for British coal when international trade is again open. But four years of stabilized wages in the coalmining industry is worth paying for; and the value will be higher if there is also freedom from disturbing political agitation. This is not an occasion for assessing the results of government control. Essential facts are not available. It has not yet arrested the fall of output, nor have there been signs of greater contentment among the miners. It has, as perhaps a lasting result, produced a long-dated wage agreement, and with it a breathing space in which the mineowners will have a brief opportunity to demonstrate their ability to carry through a progressive reorganization of the industry, and possibly therewith to enlist the co-operation of the mineworkers.

Overhaul of the wage structure of the industry—entirely the work of the Ministry of Fuel—has stopped at a consolidation of the basis rate for piece workers, increasing the reward for larger output. The payment of another shilling a shift to craftsmen and to a proportion of the skilled day wage men makes alterations of wage rates, not a change in the system.

BRITISH WAR FINANCE

A FOUR-YEAR RETROSPECT

I

IT would be difficult to imagine a more remarkable war-time Budget than that which Sir John Anderson presented to the House of Commons on April 25. Its remarkable character lay not in any sensational changes in taxation or in any novelties in the financial expedients that total war makes necessary—on the contrary, it was remarkable precisely because it was humdrum. In the fifth year of a gigantic struggle, on the eve of the largest military operation the world has ever seen, the Chancellor of the Exchequer finds it possible to dismiss his strictly budgetary problem in a few almost perfunctory sentences. Expenditure will be a little higher than last year, but the revenue will slightly more than keep pace. More than half the expenditure is being raised by taxes, and that is a satisfactory achievement. There is no need to interfere with the present rates of taxation, and so let us talk of other things.

THE POINT OF STABILITY

THE truth is that, in its economic aspects, the present war has reached the point that the last war never reached—the point of stability. In 1918 the process of economic mobilization was still going on when it was stopped and reversed by the Armistice. This time it has proceeded to the utmost. For some time now the economic resources of the British community have been fully mobilized and employed to the full. There is no more expansion possible—or so little that it is barely perceptible. To judge by the rough criterion of Exchequer outgoings, the plateau was reached last summer. War expenditure in both the December quarter and the March quarter was below that of the corresponding quarters a year previously, and in the whole financial year 1944-45 it is estimated to be only 2 per cent more than in 1943-44.

If a war lasts long enough, the time must inevitably come when the physical measure of the effort put out cannot rise any further. To reach that point is not, in itself, an achievement. But to achieve stability in the financial measure of a war is more praiseworthy. For it is only a very sound financial policy that can be a stable one. One that relies too heavily on borrowing and the creation of credit will lead to a steadily rising price level, and, though the physical effort may reach stability, it will be multiplied by an ever increasing financial quotient. Moreover, in such a process, it is almost inevitable that expenditure should outrun revenue, and the harassed Minister of Finance in such a case has to make some hard fiscal and financial running to stay in the same physical place. As will be argued in a later paragraph, it cannot be maintained that the value of money has remained unchanged in Great Britain during the war, or that there has

not been, and is not now, some element of inflation. But that the element is small, and that it exercises no evil influence on the State finances is best shown by Sir John Anderson's estimates for the coming year. The expenditure is expected to be £181 million more than the budget estimate of a year ago. The revenue is expected to produce £194 million more than was budgeted for last year. Though there is certainly no slackening in the war effort, and no more than purely technical changes in the rates of taxation are proposed, the budget estimate of the deficit is actually lower than a year ago. (This comparison of one budget with another is fairer than the comparison of estimates for one year, which properly have an element of conservatism in them, with the actual results of another year. Even so, the *estimated* deficit for the coming year is only £86 million more than the *actual* deficit for last year.)

This is an achievement of some magnitude, in which it is right that pride should be taken. Next to defeat in the field, financial mismanagement has been the most frequent cause of the collapse of governments, particularly of popular governments. That the British democracy, under the supreme test of the present war, has solved its financial problems is not only an observation of interest to the economist but a witness of continuing political genius. Next, again, to the successful military resistance in 1940, it is the most encouraging achievement of the British people in these awful years.

REVENUE AND EXPENDITURE

THE proportion that revenue bears to expenditure is by no means the ultimate criterion of the soundness of a country's financial policy; but it serves well enough as a *prima facie* test, and it has the virtue of simplicity. Judged by this test, the record in this war is far better than in the last, as the following figures show:

	1914-15	1915-16	1916-17	1917-18	1918-19	1919-20
Expenditure (£mn.) .	450	1,559	2,198	2,696	2,579	1,666
Revenue (£mn.) .	227	338	573	707	889	1,340
Revenue as per cent of Expenditure	50.4	21.7	26.1	26.2	34.4	80.4

	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45 (est.)
Expenditure (£mn.) .	1,810	3,867	4,776	5,623	5,788	5,937
Revenue (£mn.) .	1,049	1,409	2,074	2,820	3,039	3,102
Revenue as per cent of Expenditure	58.0	36.4	43.4	50.1	52.5	52.3

The British record in this war compares well not only with the British record in the last war (itself at that time the best of the belligerents) but also with other countries in the present war. This would, perhaps, be an invidious comparison for an Englishman to make. But he can fall back upon quotation from an authoritative article in the issue for January 1944 of the American *Federal Reserve Bulletin* in which the tax efforts of the United

States, the United Kingdom and Canada were compared. In 1942-43, the last year for which the comparison was given, the percentage of taxes to government expenditure in the United Kingdom was equal to that of Canada and nearly double that of the United States. The percentage of tax revenue to national income was 42 per cent in the United Kingdom, 36 per cent in Canada and 24 per cent in the United States. It is safe to assert that this leadership would not be upset if others of the United Nations were brought into the comparison.

II

THIS financial soundness would not have been achieved without the silent revolution that has taken place since 1941 in the Treasury's conception of its rôle. As Sir John Anderson said, the budget is not now "an occasion merely for balancing the revenue and the expenditure of the Exchequer, but an occasion when the financial and economic health of the country as a whole can be reviewed". To-day this seems a remark so commonplace as to be almost banal; but it is revolutionary nevertheless. Until Sir Kingsley Wood, no Chancellor had ever considered himself in this light, and it was not until Sir John Anderson's speech this year that the new orthodoxy could be considered to be firmly established. Now there can hardly be any departing from it. If very little of the Chancellor's speech was devoted to the matters that used to make up the whole substance of a budget speech—the minutiae of the public accounts—very much of it was devoted to the theme of the public finances in the framework of the national economy. The modern Chancellor concerns himself less with whether his expenditure can be met out of income tax, customs, excise and the rest, than he does with whether there is a sufficient margin between private incomes and private expenditure to enable the State's requirements to be covered without inflation. This wider horizon is an enormous advance in the technique of financial policy. Sir Kingsley Wood deserves the public credit for having initiated it, but perhaps it is not fanciful to see in it the influence of Lord Keynes.

THE NATIONAL INCOME

THE White Paper which, for four years now, has been issued on Budget Day contains the official estimates of the national income. Valued at market price, the total has gone up from £5,225 million in 1938 to £9,455 million in 1943. This does not, however, mean that the physical volume of the goods and services produced by the British community has increased by 80 per cent in five years. There has been some rise in the average level of prices which has had the effect of swelling the financial measures of physical quantities. Unfortunately, though the official statisticians have estimated the rise in the prices of goods and services entering into the consumption of the people, they have not provided any means of converting the money expenditure of the Government into real terms. The missing factor has been estimated by *The Economist*, with the warning that the result must not be regarded as more than an approximation. As an aid to exposition, the figures—and the

warning—can be repeated here. In the following table the first two columns of figures are the official estimates, the third is very largely a private guess:

NATIONAL EXPENDITURE, 1938 AND 1943
(*Valued at market price*)

	1938	1943	1943 in pounds of 1938 purchasing power
Spent by the public on consumption	4,138	(£ million) 5,049	3,270
Spent by the Government on goods and services	837	5,187	3,840
Surplus (= net additions to capital) or deficit (= net drafts on capital)	250	-781	-580
Net national income	3,225	9,455	6,530

A comparison between the first and last columns of this brief table tells, in outline, the whole economic story of the war in Britain. For the purposes of fighting the war the Government has had to increase its command over goods and services—that is, over man-power and materials—from the £837 million that sufficed in peace-time to £3,840 million, valued in pounds of unchanging purchasing power. These resources that have been drafted into the public service, almost exactly £3,000 million of them, represent the economic cost of the war. They are the men and women, the machinery, the raw materials, the fuel and power, the shipping and transport, which are now being used for the war and could have been used, in peace-time, for other purposes.

Where have they all come from? Part has been provided by an increase in the national output. If the estimates in the table are correct, the British community was contriving, in 1943, to produce almost exactly a quarter more goods and services than it had done in 1938—£1,305 million worth. This was the result of more people working and working harder, of the more intensive use of machinery, and so forth. Compared with the enormous increases in total production in other countries, notably in the United States, a 25 per cent increase may seem small. But it has been achieved in a bombed and blacked-out island, which has had to manage on very much less than its usual volume of imports of food and raw materials. All things considered, the wonder is not that the increase in the total national output has been so small, but that there has been any increase at all.

The second source from which resources of goods and labour have been made available for the needs of the Government is from the reduced consumption of the people. In 1938 the individual citizens of Great Britain consumed, in satisfying their needs or desires, real resources of man-power and materials valued at £4,138 million. In 1943 this had fallen to £3,270 million—or, more accurately, it would have fallen to £3,270 million if the price-level had remained stable. The reduction, in physical terms, amounts to 21 per cent, and the resources thus set free, valued in 1938 pounds at £868 million,

have gone to meet the Government's needs. To express the figures in another way, in 1938 the British public spent on their own consumption 79 per cent of all they produced; in 1943 they spent on themselves exactly half of what they produced.

LESS CONSUMPTION AND MORE PRODUCTION

In these two ways—consuming less and producing more—£2,173 million worth of goods and services has been provided towards the total required. More than seven-tenths of the cost of the war has been taken out of the hides of the generation that is fighting it, either in greater current effort or in lowered current standard of living. But there is still a final £830 million to be accounted for. In 1938, after providing for the consumption of the people and the needs of the Government, there was still a small margin left which could be used for increasing the capital wealth of the country—its productive equipment and its stocks of goods at home, its credits and investments abroad. In 1943 the national income was not enough to cover both consumption and government expenditure, and nearly £600 million worth of goods and services (still valued at 1938 prices) had to be provided by drafts on capital—by melting down the park railings, overworking the machinery and depleting the stocks at home, and by selling investments and raising loans abroad. Thus the final £830 million was provided by converting a surplus of £250 million into a deficit of £580 million. This is the part of the cost of the war that can fairly be said to be a charge on the future, for the capital resources of the future will be just that much smaller than they would otherwise be. (This is, of course, the effect of a single year. There have been similar deficits in earlier war years.) Much the most damaging of these drafts on capital is the heavy selling of overseas assets and raising of overseas credits which, by the time the war is over, will have converted the United Kingdom from the world's greatest creditor into hardly a creditor at all.

"We have parted with all this", said the Chancellor, "not to neutrals, but nearly all of it, some 90 per cent, to our Allies and associates, most of whom will emerge from this war with their overseas financial position greatly strengthened as a result, just as ours is greatly weakened. I make no complaint of this, for we are in this war with all we have got, but no one must suppose that a country can wage a war on this basis for several years and emerge at the end without a price to pay. We have not yet paid that price."

With all the inevitable arbitrariness of a generalization, and with some rounding of figures which are, in any case, only approximations, the economic cost to the British community of having to fight a war in 1943, as compared with its peace-time existence, can be represented thus:

(Millions of pounds of 1938 purchasing power)			
Cost of the War	3,000	100%	
Met by:			
Greater Effort	1,300	43.3%	
Reduced Consumption	870	29.0%	
Drafts on Reserves	830	27.7%	

III

To be able to dissect the economic anatomy of war in this way is one of the advantages of the new statistical technique. Thinking can be much clearer if it can be done in physical terms, with the money figures serving simply as convenient symbols for quantitative magnitudes. But when it comes to the execution of policy, it has to be done in money. The goods and services that the Government uses have to be paid for in money, and the Chancellor of the Exchequer has to raise the money. Neither to him nor to the individual taxpayer are pounds, shillings and pence "meaningless symbols". The figures in the last section show the measure of the transfers of resources that have taken place; it remains to show how the monetary side of these transactions has been handled.

£13,000,000 A DAY

In the four calendar years 1940 to 1943 the Exchequer has spent (irrespective of sinking funds and repayments of debt) a total of £18,858 million—an overall average of just short of £13,000,000 a day. Towards this gigantic sum revenue has provided £8,314 million, leaving a four-year deficit of £10,544 million. In war-time such social insurance funds as the Unemployment Fund, the National Health Insurance Fund, &c., pile up large surpluses, which are available for lending to the Exchequer. There are also new funds coming into existence, such as those that are fed by the war risks insurance and war damage schemes. The Canadian Government, before it began to provide supplies either free or on lend-lease terms, made large interest-free loans to the British Government. There was also a loan in 1941 from the American Reconstruction Finance Corporation. British local authorities have their surpluses to invest. In all these ways money comes into the hands of the Chancellor of the Exchequer. The total provided in the four years by these British and overseas government agencies was £1,186 million. The deficit to be borrowed from the public is thus reduced to £9,358 million.

The official figures make it possible to show in great detail how this sum has been raised. For example, £2,387 million has been raised by "small" savings, £3,660 in "large" savings, £647 million in tax reserve certificates and the remainder from the money market. Or, alternatively, it can be said that the savings of individuals have provided £4,157 million, the savings of business firms £795 million, that money set aside to meet future tax liabilities has amounted to £1,093 million and the rest, some £3,300 million odd, has been the re-lending to the Government of sums received by the public in payment of war risks and war damage claims or in payment for capital assets sold to the Government.

WHAT IS INFLATION?

NONE of these figures would serve to answer the important question: has this borrowing been inflationary? Unquestionably the value of money has fallen since the war began. The money value of the total national output is

81 per cent higher but, if the estimate quoted above is correct, the real volume is only 25 per cent higher. The official figure for the rise in the price-level of consumption, even after the effect of heavier indirect taxation is removed, is 41 per cent. If any rise in prices is inflation, then there is certainly inflation in Great Britain to-day. But this would be an unnecessarily crude definition of inflation. Some part of the rise in prices is due to the increased cost of imports, some part to other rising real costs, some part merely to the effect of shortage of supplies in a market some corners of which are still competitive and uncontrolled. None of these come within the definition of inflation, properly so called. Only if a Government fails to cover its expenditure by taxes and by borrowing the genuine savings of the people, only if it has to fall back on the creation of credit, only if it has to go into the market with this created credit and use it to get hold of goods and services by bidding up their prices and choking off other buyers—only then is it strictly true to say that there is inflation. Only then, at least, is there a risk of a cumulative process starting. Inflation, in this strict sense, cannot be infallibly detected. But one almost infallible sign is a rapid and cumulative increase in the Government's borrowings from the banks and the money market. Of that there is, in the British record, no evidence at all. Though the total of borrowings from the money market varies from year to year, the sum in the last two years has been almost exactly the same as in the first two years.

It is very difficult for a country waging total war to avoid any reliance at all on credit-creation. What can be said about the British experience is that the volume of inflationary finance has been very small and that it is not increasing. One of the reasons for this comparative stability is to be found in the Government's policy of stabilizing the cost of living by means of subsidies. The Chancellor found it necessary in his speech to issue a warning that the condition on which the policy was based—an equivalent stability of wage rates—was not being observed, and that it might accordingly be necessary to allow the cost of living to rise above its present rather artificial level. The reasoning is impeccable; but economic policies are to be judged by their effects, and the reaction of the trade unions has already made it apparent that the effect of a rise in the cost of living may merely be a fresh crop of wage demands. It may be, therefore, that some of the fine standards of British war-time finance are beginning to crumble. In any event it will be difficult to maintain them through the period immediately after the German armistice, when the necessity for the strictest abstinence will be nearly as great and the willingness to practise it much smaller. The four-year period that has been surveyed in this article may turn out to be an example rather than a precedent. But that does not prevent it from being, in Sir John Anderson's words, "an achievement which deserves to be made known to the whole world as a distinguished performance".

NEW ERA IN THE WEST INDIES

THE ROYAL COMMISSION AND AFTER

IN June 1937 serious disturbances broke out in Trinidad, and in the following month Barbados, not usually susceptible to Trinidadian influences, caught the infection. During the winter the germs of trouble spread over the Caribbean, acquiring additional virulence as they travelled until, for a few days in the following May, they spread anarchy throughout Jamaica. After order had been restored the British Government appointed a Royal Commission — last and strongest of a series that goes back to Joseph Chamberlain's day. Working with thoroughness and energy the Commission submitted a unanimous report within eighteen months of its appointment. By that time the war had broken out, and the fact that the Government decided not to publish the report is evidence that it contained reflections on the administration which would have supplied material for hostile propaganda. In place of the report, a detailed list of recommendations, drawn up by the Commissioners themselves, was issued early in 1940.

Chief among these recommendations was the proposal that an experienced official with the title of Comptroller of West Indian Welfare and Development, independent of the local Governments, responsible to the British Colonial Secretary, and reporting annually to the British Parliament, should advise on the expenditure of £1,000,000 a year for 20 years, provided by the British Exchequer for the inauguration of those policies of general betterment which in Britain are grouped under the name of social services. The Commission also made far-reaching recommendations with regard to education, public health, housing, labour and trade unionism. It proposed to reform existing systems of agriculture and outlined a policy of land settlement—first advised by the Royal Commission of 40 years before, but largely neglected until the riots opened official eyes to the menace of a landless proletariat. Although appointed primarily to consider social and economic conditions, it recommended political changes based on the grant of universal suffrage; and in words indicating the breadth and depth of the gulf separating governors and governed, it urged that local governments should adopt “a much more positive policy of bringing their point of view before the mass of the people”.

A BOLD PROGRAMME

THE execution of so bold a programme of constructive reforms—and much of it has in fact been put into operation—was bound to have great and cumulative effect on conditions of life throughout the British West Indies. But before the programme had been so much as announced, the outbreak of war had begun to provide another powerful impulse towards change. Its economic effects were immediate. It deprived the West Indies of their market for bananas and citrus fruits and, by interfering with their imports

of wheat, salt fish and other foodstuffs, compelled them to turn to subsistence agriculture. Social consequences of equal, perhaps indeed of graver, import followed the lease of the West Indian bases to the United States. That stroke of policy brought to the islands men who by upbringing and temperament were suspicious of the British colonial system and unrestrained both in their criticism of what they found and in their eulogy of what they introduced. The coming of the Americans brought home to West Indian minds a truth of which they had been dimly aware ever since West Indian labourers had worked in the Panama Canal—that Britain was no longer the dominant Power in the Caribbean. If there had been no Royal Commission, if British administration had still stood firm in the old Victorian ways, bidding West Indians grow sugar, bananas and cocoa for the British market and improve themselves at their own expense, there would doubtless have been a swift response to the new American slogans of progress and self-determination. Conversely, if there had been no war and therefore no American bases, the resolve of the Colonial Office to attack West Indian evils at their roots and to inaugurate the new policies advised by the Royal Commission would have evoked a fresh and striking outburst of West Indian loyalty. As it is, the war and the Commission's report, coming together and interacting with one another, have produced uncertainty and flux in every department of West Indian life and thought. There are those, and they are a majority, who still look for guidance to London; there are others, most numerous in Trinidad, whose hopes are centred in Washington; and there are a few, including, however, men of the highest influence with their fellows, who proclaim that now, when all landmarks have been submerged and all bulwarks swept away, West Indians should set their own hands to the shaping of the uncertain future. In such circumstances observers of the West Indian scene are likely enough to find themselves agreed on nothing except the bewildering rapidity of the changes in progress.

SIR FRANK STOCKDALE'S WORK

IN so far as these changes can be assigned to definite causes, the most powerful factor at work has been the appointment of the Comptroller of West Indian Welfare and Development. The exact intentions of the Commission with regard to this officer will not be known until the full text of its report is made available; but some departure from its recommendations inevitably occurred through the passage by Parliament of the Colonial Welfare and Development Act, which extends to the whole of the dependent Empire principles of policy which the Royal Commission considered in their West Indian setting only. In place of the Caribbean excrescence on the Colonial system contemplated by the Commission, an entirely new branch of administration has been developed in Whitehall. Like the West Indies the Colonial Office is in transition, with new functional activities existing side by side with the old geographical division of departments. How it will all work out is probably as speculative an issue in London as it is in Kingston or Bridgetown; from the West Indian standpoint it appears

that British Colonial administration will take whatever stamp a vigorous and clear-minded Secretary of State imposes upon it. Certainly the scope and scale of the activities of West Indian Welfare and Development have been determined by the personality of the first Comptroller, Sir Frank Stockdale.

The West Indies have cause to congratulate themselves on this appointment. Sir Frank has the virtues of the first-class official—caution, foresight and patience. To them he adds his individual qualities—an imperturbable temper, a co-operative attitude, and confidence in his advisers. His department is growing as its work develops and the emphasis of its activities will shift as its record of achievement grows; but since, when the Comptroller took office, the three mutually linked departments of agriculture, social policy and education were loudest in their call for new brooms that would sweep very clean, it is to his advisers in these three subjects that he looked for the first instalment of his reforms. He did not look in vain, and the plans of three able men working in complete harmony with one another have begun to leave their mark on West Indian life.

Mr. Wakefield, the agricultural adviser who, in accordance with the Commission's recommendation, is also Inspector-General of Agriculture in the British West Indies, is a perfect example of that rare type—the expert who has remained entirely human. If ideas of agricultural progress are to be translated from the office desk into the fields they must be understood and welcomed by the workers on the soil. In colonies the bulk of whose rural labour is illiterate and lacking in initiative, the temptation to issue orders must be considerable. Mr. Wakefield has resisted it and has appealed instead to such degree of public opinion as exists. His methods have evoked a co-operative zeal which few can have anticipated. In Trinidad, for example, he was chairman of an agricultural committee which included representatives of such diverse interests as the island's leading sugar estate and its rising labour movement. That the committee should have produced a unanimous report is a tribute to its chairman's success in lifting the minds of its members to the level from which agriculture could be viewed not as a means of livelihood but as a way of life.

Only from this level can there be any true vision of the social implications of land settlement. Its consideration has been bound up too long with theories about the magic of property—the sense of ownership long held to be capable of turning a desert into a garden. The Royal Commission was sceptical of freeholds, and Mr. Wakefield, following up its line, has urged that a successful land settlement policy must be communal, not individual, and has thus made a promising appeal to the team spirit so congenial to African thought but hitherto so little fostered by the circumstances of West Indian life. The change from a plantation economy producing crops for export, to a small-holdings economy producing crops for food, is taking place under the irresistible pressure of war. If it is to maintain itself when that pressure is removed, there must be a change in men's minds as well as in the methods of cultivation; and then will come the testing time for Mr. Wakefield's work.

Even more than Mr. Wakefield, Mr. Hammond, the Comptroller's educational adviser, has found his path littered with obsolete practices. British education as shaped by the Act of 1870 was a series of little tips for getting on, and this conception continues to prevail in the West Indies, which are still waiting for their equivalent of the liberating British Act of 1902. It is easy to determine to what extent the little tips have been mastered; the answers to a set of examination questions will settle whether the pupil is able to get on. What is called in Britain the tyranny of the examination system is a mild authority compared with the ruthless despotism which the system exercises over education, and especially secondary education, in the West Indies. A boy's whole future depends on his possession of a School Leaving Certificate, on his success, that is, in answering questions set and corrected in England according to a syllabus of English origin. The needs of this examination go far to determine the curriculum of those schools, partly government and partly denominational, which are not commercial enterprises and are therefore eligible for grants from public funds; they completely determine the curriculum of schools which are conducted for private profit and which attract or lose pupils according as the number of their examination successes goes up or down.

REFORM OF EDUCATION

To the superficial observer it appears that the whole educational effort of the British West Indies is put into the two years' work preceding the School Leaving Certificate exam. That is an unfair judgment in that it does grave injustice to the devotion and enthusiasm of the teachers in the elementary schools, but at least it calls attention to the conditions under which elementary education has been carried on. There could not be a more glaring example of a coat cut according to a standard British pattern without regard to the size and quality of the local cloth. At its best the curriculum fits children for work in shops and offices—a statement which still largely holds, in spite of recent efforts to adapt the subjects taught to the conditions of life on the soil—because it is only in the towns that education is compulsory. Even in the towns attendance is low and irregular, reaching its peak in the middle of the week. Overcrowded though the schools are—and it is common to find several classes going on simultaneously in the one big room which constitutes the school premises—it would be impossible to find places for all the children on the roll were there ever to be a full attendance. It is not surprising that a high proportion, possibly a majority, of the pupils in the elementary schools have lapsed back into the illiteracy from which they never really emerged, by the time they are men and women. What is surprising is that a minority should have developed a thirst for knowledge and a taste for literature which libraries and junior centres are at last beginning to satisfy.

To the cleansing of this educational Augean stable Mr. Hammond has brought great knowledge and a clear mind. A former Director of Education in Jamaica and subsequently adviser to the Carnegie Corporation, he is

completely familiar with local conditions and has given his best thought to ways of escape from the dilemma with which his work has confronted him. Education is a fit subject for local control, but in so far as the cost of West Indian education is met from the British Exchequer its ultimate control must rest with the House of Commons. To complicate the matter further, the West Indian colonies cannot afford to educate their children according to British standards, and, though the reforms now in progress will bring them new prosperity, that will hardly suffice to keep pace with the needs of a population increasing at the rate of 2 per cent per annum. Hence the dilemma: without education there can be no progress, but dependence on the British Exchequer for education will bar the way to the self-government which is the token of progress.

Mr. Hammond has dealt with this problem partly by making the Home Exchequer responsible for capital expenditure, leaving the cost of upkeep to be defrayed locally, partly by reliance on the pupil-teacher system. This educational device has fallen into discredit in Britain now, but it was employed with good effect when education at home was in about the same stage as that through which it is now passing in the West Indies, and Mr. Hammond's careful arrangements for the instruction and supervision of pupil-teachers have been devised to meet the system's principal drawbacks—the more effectively because tropical youth matures so early. But the most urgent need is for adequate school buildings, and to satisfy it Mr. Hammond has devised a building programme under which each school will have a life of 30 years. This arrangement makes for the economy possible in structures not meant to stand for centuries and is suited to an age of rapidly changing educational method. Planned both to make good arrears and to allow for increase in population, it was originally devised for Jamaica only; but it is applicable, with local modifications, to all the other colonies except Barbados, which is a coral island with abundance of stone but scarcity of timber. The main obstacle to the realization of the whole programme of reform is a religious difficulty of the kind which has for so long obstructed educational progress in England. The intensity with which it is felt varies from colony to colony; it is most acute in British Guiana. Secondary education has not been taken seriously in hand in any colony except Jamaica where, at Mr. Hammond's instigation, a committee was set up under the chairmanship of Professor Kendal of Columbia University with local representatives, official and unofficial, as his colleagues. The Committee's report which condemned the existing system root and branch was issued at the end of last year. Higher education is the concern of a British Royal Commission, a delegation of whose members is now (April 1944) taking evidence in the West Indies.

THE SOCIAL SERVICES

UNLIKE Mr. Wakefield and Mr. Hammond, Professor Simey, the Comptroller's social adviser, was called upon to break entirely new ground. His tenure of the Chair of Social Science at Liverpool University had familiarized him with the issues summed up in the words—to West Indian ears still too

good to be true—Social Security; and he had the special advantage of knowing all the difficulties which confront local authorities charged with the administration of new departures in policy. He has thus brought to his work a mind at once broad and sympathetic; and he has had the wisdom to attempt nothing spectacular, but has set himself to build up a body of opinion capable of appreciating social objectives and of working for their gradual enlargement. The most glaring need in the West Indies is that of youth which, at the close of such education as it has received, finds itself entering into an outside world with no communal life except that of the tavern and—in the towns—the cinema theatre. Youth movements are now developing in all the major colonies, and as they develop are acquiring features suited to their various local circumstances. In so far, however, as they have a common model it is to be found in Jamaica, because there and there only Professor Simey found what every social service must have if it is to possess real vitality—a local foundation on which to build.

The remarkable enterprise known as Jamaica Welfare Limited is about to receive a substantial grant—£30,000 a year for five years—and will become an organ of the administration. In its earlier phase, however, it was an independent undertaking financed by a cess of $\frac{1}{4}d.$ on every stem of bananas exported, and owing its origin and inspiration to the most distinguished Jamaican now living, Mr. N. W. Manley. It was a pioneer movement and it did heroic work, ever ready to make experiments and to profit by its mistakes. Concerned primarily with the poor cultivator, its main aim was to brighten village life, or rather to give the villages a communal life hitherto altogether lacking, and in the process it has done something to close the gulf between town and country which yawns as widely in the West Indies—though for different reasons—as it did in Victorian Britain. The community centres which Jamaica Welfare has opened are outwardly the most conspicuous of its achievements, but its real victories have lain in the promotion of the communal spirit, particularly among the young, whose natural unit is the gang. Jamaica Welfare gangs are called 4-H clubs and there are now upwards of 200 in the island. The name and the idea come from the United States—the 4-H's standing for head, heart, hand and health—but the clubs themselves are the tropical equivalent of the British Young Farmers' Clubs with which they may one day seek some form of affiliation. Their work exactly meets the needs of young people who will pass their lives on the soil, and their rapid progress is of excellent promise for the future. For the slightly older generation of young married men Jamaica Welfare has built up an organization of Pioneer Clubs and it has acquainted village communities in general with the idea and practice of co-operation. Professor Simey has carried the principles of Jamaica Welfare to the other colonies, and has made Jamaica itself the scene of the first inter-colonial course of social study to be held in the Caribbean. On him more than on any one of the Comptroller's staff falls the responsibility for bringing about that change in mental outlook which is essential if reform is to mean something more than spoon feeding, and here quick results are not to be looked for. But it is because of the work that Professor Simey had developed in

Jamaica and inaugurated elsewhere, at least as much as because of the pressure of external circumstances, that the West Indies have entered upon this present transitional phase.

All this constitutes a remarkable record, and not the least remarkable feature of it is the extent and warmth of American co-operation. The generally critical and occasionally supercilious attitude towards all things British to be found among Americans engaged in the construction of the bases is not shared by responsible men in Washington, whose own experiences in the Virgin Islands and Porto Rico have brought home to them the difficulties of West Indian Government. In the Caribbean and elsewhere British and American affairs and interests are getting mixed up together, and out of their mixture has sprung a desire to view their common problems as a whole. This is a revolutionary change of attitude for the Caribbean, where history and geography have combined to promote a local outlook and have made insular prejudice a dominant characteristic. The new temper expressed itself in the formation of the Anglo-American Caribbean Commission, with which both the Dutch and the Canadians have begun to associate themselves. The purpose of the Commission was to forward the general advancement of the whole Caribbean region, but, as it had scarcely been formed when German submarines appeared in local waters, it was at once confronted with an urgent practical issue—the provision of food for islands cut off from their regular sources of supply. How the emergency was dealt with is told in detail in the Commission's first report published last year and need not be repeated here. What is significant for the future is that common need compelled common action.

COMMON NEED AND COMMON ACTION

It was first manifested in a conference of supply officers held in Jamaica in 1942. Its success paved the way for a bolder scheme, nothing less than the promotion of regular conferences, to be held under the Caribbean Commission's auspices, and attended by delegates from every British and American possession in the area. The first of these conferences is in session as this article is being written. It is being held in Barbados, the only West Indian island that never changed hands during what the text-books still call the Great War Period, and therefore the most intensely British of all these colonies. As their speeches show, the delegates were greatly impressed by the comprehensiveness of the membership. Men who had never previously met one another in their lives have been meeting round a table in a Barbadian school of the English public school pattern and have been surprised to find how much that was mutually profitable they had to say to one another. Food, employment and health constituted the staple of the seven committees into which the Conference resolved itself in order to get through its agenda paper. Its conclusion will provide new matter for the most important of the Caribbean Commission's organs—the Research Council, which may contain the germ of the Conference's permanent secretariat.

CONSTITUTIONAL DEVELOPMENT

It is against this background of change shot with hope that the prospects of constitutional development must be viewed. Up to the present only Jamaica can point to radical advance. There, after proposals from London had been rejected by the elected members of the Legislative Council, representations put forward by the island's political leaders led to the project of a new constitution holding the promise of responsible government. The constitution is based on universal suffrage. It provides for an elected Lower House, a nominated Upper House, an Executive Council drawn equally from both Houses and the association of its elected members with the administrative departments as a prelude to the inauguration of a Ministerial system which, as the Constitution is to be revised after five years, need not be unduly delayed. In the other colonies there has been, as yet, no organic change, though both Trinidad and British Guiana have seen an unofficial substituted for an official majority in their Legislative Councils. But the Jamaican example has forced all the major colonies to consider their franchise laws. In Trinidad and British Guiana the issue has been referred to committees both of which are finding their principal difficulty in the presence of a large and imperfectly assimilated East Indian element. Barbados must sooner or later attempt the revision of its constitution which, being upwards of three centuries old and being based upon that of England in the time of Charles I, knows nothing either of Cabinet Government or of Ministerial responsibility. For the present Barbados, too, is confining its attention to the franchise, and a Reform Bill has for some time been making its slow way through the legislature. Its provisions stop well short of universal suffrage, but the lowering of the property qualification will admit to the register the small-holders, whose numbers have been greatly increased by the conversion, under the stress of war, of more than a third of the island's cultivable area to the production of food for local consumption. Thus everywhere, except in Jamaica, political change lingers, but everywhere coming political change is casting its shadow.

It is not yet possible to evaluate the developments of the last few years, many of them still in process of translation from planning to practice. But it is already clear that the Royal Commission of 1938, whose membership was announced almost exactly 100 years after emancipation, opened a new era in West Indian history. To its recommendations, to the agricultural reforms which are substituting small-holders for labourers, to the educational reforms which are paving the way to an attack on illiteracy, to the social reforms which are not merely raising the standard of life but are giving life new meaning, and above all to the influence of new ideas, British and American, upon government officials and the educated public, much more than to the transient exigencies of the war, is due the conviction now general throughout the British West Indian colonies that they are moving, and moving to a growing extent in concert, towards a future which will be as different from the past since emancipation as was that past itself from the slave economy which emancipation abolished.

STRATEGY OF THE WAR. XIX

PRELIMINARIES TO INVASION

A STRATEGIC review of the war at this moment is a matter of extreme difficulty. All that has happened during the past few months up to the end of April is strategically insignificant compared with what is about to happen. It is hard to introduce into a recital of events the imponderables, such as the extent of the terrific strain on the *Wehrmacht*, which will make all the difference to the speed of future developments, though not to their nature. It cannot be said for certain in advance how much of the *Luftwaffe* or how many of their U-boats the Germans are holding back to throw into the scales upon the day of invasion; except that the amount will be as much as they can manage since their only remaining hope—and it is in any case a slender hope—is to hold the Russians while they defeat the invasion and then turn upon the Russians and defeat them before a new wave of invasion is ready. The next few months will therefore decide whether the war will be long or short. It will contain the moment for which an enslaved Continent has waited for four long years, and towards creating which two elaborate years of planning have been directed. Until that moment comes, all that can be done is to show how the preliminaries are working up towards it.

THE CAMPAIGN IN ITALY

IN these notes it has always been emphasized that the Italian campaign is essentially a side-show in the strategic sense. From the moment the Germans decided to offer serious resistance to our advance, local stalemate was always probable. That has proved to be the case. Two considerable attempts have been made to loosen the deadlock. The first was the landing at Anzio, whose purpose was to get astride the German communications on the Cassino front, and to cause at worst a withdrawal and at best the wiping out of the enemy's southern army. It failed to do more than attract most of the enemy's reserves from Northern Italy. Perhaps it was hoped to keep off these reserves by air attack for long enough to enable the landing force to do its job. If so, this was a miscalculation; and the surprising thing has been that the enemy, whose forces have outnumbered ours at the beachhead by at least two to one, did not succeed in driving our men into the sea. The second attempt was a frontal attack on Cassino, preceded by a concentrated air bombardment of the town. Here again the effect of air action was disappointing. General Freyberg, who commanded the infantry assault, has reported that the damage caused reacted more unfavourably on the Allies than on the enemy, since it prevented any rapid deployment of armour. The experiment therefore failed. It has perhaps no general bearing, because the enemy had excellent protection against bombing; but the Cassino battle certainly supports the view that air power is not everywhere a complete recipe for victory.

In spite of these disappointments, the balance sheet of the Italian campaign is not wholly unfavourable. About 25 good German divisions have been tied down to what (from the enemy point of view) was an irrelevant battle-front and may at any moment become a very expensive one. In the military sense it would have been far cheaper for the enemy to stand farther north; and this is important at a time when he is already short of troops and likely to become much shorter. Moreover the Allies have got admirable airfields in Italy from which, early in April, they began strategic heavy bombing of enemy communications in the Balkans; and this possessed also a tactical value thanks to the astonishing Russian victories. These have exposed a basic miscalculation in the enemy's strategy, which has been the very reverse of that attributed to him in the idle gossip that he would let the Western Allies into Europe because he preferred them to the Russians. On the contrary, he has staked heavily on repelling the Allied invasion, and in order to do so has been quite ready to yield ground on the Eastern front. But undoubtedly he hoped that the forces left there would be enough to make Russian progress slow and innocuous. That is where his strategy has broken down. Nothing, not even the spring mud, has been able to prevent spectacular Russian progress. Here, in outline, is its record.

SPECTACULAR RUSSIAN VICTORIES

In the far north, except for a few air attacks, the Finns and a group of half a dozen German divisions have been left severely alone during surprisingly protracted negotiations for an armistice. Without entering into the political side of this affair, it is pretty clear that in the military sense the Russians are in no hurry here. The distracted Finns and the isolated Germans are a pretty ripe military fruit. If it falls of its own volition, so much the better; but if not, it can be plucked at any time.

South of the Gulf of Bothnia, the enemy was driven in rout from Leningrad back over the Estonian border at Narva during winter conditions. There was no particular point in trying to overcome spring conditions in this sector by a further full-scale offensive along the Baltic coast; so at Narva the Russians halted. North of the Pripet marshes, they got far enough for a summer offensive to outflank the Baltic States and open up a road to East Prussia, and then halted here also. South of the Pripet a tremendous drive was launched. Between here and the Carpathians is the direct road through Poland into Germany. The Russians pressed along it to within 60 miles of Lvov, where they met the reserves which the enemy was bound to pour into this vital sector. But, at a guess, this was always intended to be a holding offensive, designed to clear the flank of the main drive farther south. The really doubtful point was whether the Russians would here maintain the initiative or would have to meet a really heavy enemy counter-offensive. At the moment of writing it looks as if the Germans were too shaken and too short of men to do more than hold on. They have certainly been kept busy enough elsewhere. Immediately to the south they have been forced right back to the Carpathians, and the Russian armies, appropriately headed by a Czechoslovak Brigade, have reached

the Ruthenian tip of Czechoslovakia. Establishing here a continuation of their offensive-defensive flank, the Russians have swept down the Sereth and the Pruth to within a few miles of Jassy. This movement was helped by a direct east to west advance which carried another Army across the Upper Pruth into Rumania proper. Next, the Second and Third Ukrainian Armies, clearing the stubbornly defended Dnieper bend, took Nikolaiev, then Odessa, and by mid-April had reached Ovidiopol on the Dniester estuary. Next, the Fourth Ukrainian Army, in a whirlwind campaign, cleared the whole of the Crimea in ten days, and practically exterminated the Germano-Rumanian garrison except for a rearguard clinging to Sevastopol. The great port itself was stormed under cover of an unprecedented barrage on May 10.

SECRETS OF SUCCESS

How have these extraordinary victories been won? The first cause is superiority of numbers. It will probably be found that the Russians have a superiority of 3 to 1 on an average along the whole front, and a local superiority of 5 to 1 on the sectors where they are attacking. This does not detract from the credit due to their powers of organization and of generalship. It is an extra tribute to both that they can maintain at the front and so rapidly concentrate where they like such vastly superior numbers. Indeed the second cause of their victories is the crop of fine soldiers they have produced—Zukhov, Koniev, Malinovsky, Tolbukhin, Vatutin, Rokossovsky, and so on. One must not forget Marshal Stalin himself and his Chief of Staff Vasilevsky, said to be the ablest of all. There has been no such sudden efflorescence of great commanders since the armies of the French Revolution. Thirdly, there is the galvanic hatred of the invader, whose filthy work every Russian soldier has seen. Those who think that Russia might grant terms to Hitler or even to the *Wehrmacht* should remember that for a space 1,000 miles long and 500 miles deep hardly a Russian house has been left standing or a Russian family left undisturbed. The devastation of the Western front in 1914-18 was comparatively speaking a mere scratch. Fourthly, there is the massive superiority in equipment, to which the Allies have substantially contributed; and ingenuity in new tactical uses of it. Lastly, there has been the diversion of German strength elsewhere. It is slowly being realized that about one-third of the German Army and nearly three-quarters of the *Luftwaffe* are kept outside Russia already by Allied operations or the threat of them.

ALLIED AIR OFFENSIVES

At the moment of writing these operations, apart from the Italian campaign, are still confined to the air offensive. But what an offensive it has become! Alone among the belligerents, the Anglo-Americans conceived and are now using air power as an offensive weapon *sui generis*, and not as an adjunct only to armies or navies. The Americans by day and the British by night have set out to destroy German air power in its every form from the machines that fly in the air to the factories which make their component parts. Our

official estimate is that German aircraft production has been reduced to below the 1942 level, instead of being quadrupled according to Goering's plan; and that the *Luftwaffe*'s losses for four consecutive months have been greater than the output of new machines. The enemy declares that in spite of everything he has amassed a big air reserve against the day of invasion. The two statements are not necessarily contradictory. The enemy is most certainly deliberately economizing his air force, often at the cost of not defending really important targets except by A.A. fire. This means that he will be able to fight at least one big air battle when invasion starts; but it means also that, fighting without reserves and after a long demoralizing experience of having to shirk battle, he is certain to lose it. Analysing his experiences in North Africa, General Montgomery once expressed his determination that the air battle should be won before fighting the sea and land battle. He will undoubtedly have his wish in Europe as he had it in Africa.

The Allied Air Forces have also begun another preliminary task, namely the cutting of enemy communications. Favourite targets have been railway centres of lines leading to the Atlantic, from North to South Italy, and to the Carpathian-Rumanian front. In these days of motor and air transport the cutting of railway lines is not a decisive event, but it is, of course, extremely irksome. Suppose, for example, the rapid switching of divisions to and fro between East and West be part of the enemy's strategy. If he can use his railways freely he might be able to move four divisions simultaneously from Lemberg to Amiens in a week. But if his railways are cut, both the speed and the scale of his movements will be reduced—by how much depends upon where they are cut and how thoroughly. There remains the psychological effect of bombing. It is considerable. Bombing is the main topic of prisoners taken on all fronts, and therefore of people inside Germany. But targets are so many and so dispersed that bombing is not yet unendurable, even on the scale reached this spring when, on many occasions, 2,000 heavy bombers, without counting other types of aircraft, have attacked German targets within 24 hours. There is no reason to reverse the conclusions either that bombing brings an inestimable contribution to victory or that it cannot achieve victory by itself. One unpleasant consequence of the bombing of "enemy occupied territory" must not be overlooked. It causes civilian casualties, sometimes heavy, among populations whose co-operation with Allied invading armies must necessarily form part of our strategic and tactical plans. The question is whether this bombing will cause any damaging revulsion of feeling. The answer is most probably "No", provided invasion is not too long delayed.

PROGRESS IN THE FAR EAST

It is fortunate that the German war is taking on such a favourable aspect, for otherwise it might have been possible to suspect that the Allies had committed the strategically unpardonable crime of allocating too much of their resources to the Japanese war. Whatever the attractions of any other view—and they can easily be many—it was in fact decided two years ago to

polish off the Germans first before going all out against the Japanese. Nothing could therefore better reflect the colossal power of the Allies than that it should have been found possible, consistently with this overriding decision, to make such progress in the Far East. Developments in the Pacific have been really dramatic. The Allied naval resources have become so tremendous that, on the eve of the invasion of Europe, enough landing craft and transports can be found to land scores of thousands of Americans and Australians hundreds of miles from the most westerly point formerly reached on the north coast of New Guinea. Enough surplus air power has been found to reduce to impotence in these regions Japanese air and sea-power. Thus in the fringe of islands nearest to Australia at least a dozen Japanese divisions are doomed to live on their own fat; and they are not very fat to start with. The Japanese Empire has also lost the first of its pre-war possessions by the successful American attack on and occupation of the Marshalls. This brings the Carolines within striking range, and Truk, the big Japanese base in these islands, has been struck. A picture is emerging of a converging attack from the east and the south upon the Philippines. That is one road to Tokio.

OVERLAND TO CHINA

THERE is another, through China, and in the light of that fact the Burma campaign must be considered. It is not an attempt to reconquer Burma—any attempt to do so overland would be insane. It is an attempt to clear a new overland route from India to China. An offensive in the extreme south—in ill-omened Arakan—provoked the required alarm among the Japanese. They were moved to a counter-offensive, which, if things had been as they were in the early days, might have scored a considerable success. For it surrounded the Seventh Indian Division which, by all the rules of war, ought to have surrendered. Instead, supplied by air, it held on until relieved. Fighting on this sector then died down. But in the extreme north, where the bid was to be made to clear the road to China, Chinese and American troops opened a sustained offensive which is carrying them slowly closer to Mogaung and Myitkyina. In support, the remarkable operation was undertaken of landing a picked British air-borne force 159 miles behind the centre of the Japanese lines. Unhappily this force lost in an aeroplane accident its legendary leader, General Wingate; but it has since been reinforced by another wave and is pursuing its necessarily unspecified but devastating work on Japanese communications. The enemy's reply was to launch a dangerously powerful offensive towards Imphal, capital of Manipur State, through which runs a good south to north road and a railway.

If the enemy had succeeded in cutting these lines and capturing the stores accumulated at various points—Imphal, Kohima, and Dimapur, it would have been extremely awkward; and the whole purpose of opening an overland route to China would have been thwarted. The road was cut in several places north and south of Kohima, and for a week the garrison of that place had to be supplied by air. Stiff fighting finally cleared the road blocks; and prevented the enemy from debouching in force on to the Manipur plain.

STRATEGY OF THE WAR

At the moment of writing therefore it looks as if the Japanese have been foiled; and if so they are in great peril. They risk being caught by the monsoon in the jungle and starving to death. Quite small forces are all that can be employed at any time in these regions—the Japanese force which has been giving so much trouble is not larger than three divisions; but the campaign is of considerable significance. It marks a complete psychological change from the spirit and the tactics which prevailed during the early disastrous campaigns in the Far East. Both the stuff and the stuffing are there now. For example, Allied air power is practically unchallenged; and a naval raid on the island of Sabang, just west of Sumatra, was carried through almost without air interference.

WHERE IS THE JAPANESE FLEET?

It is a remarkable fact that in neither the Pacific nor the Indian Ocean has the main Japanese Fleet put in an appearance. The enemy seems practically to have given up even attempts to convoy supplies and reinforcements by sea. The reason, of course, is that so far the Allies are dealing only with enemy outposts which it is unpleasant but not disastrous for him to lose. He is therefore not going to risk more of his already depleted shipping and sea power in trying to hold them. Sooner or later we shall get far enough to force him to fight with all he has got, and it is interesting to speculate upon what these really sensitive spots will be. He must try to keep us as far as possible from effective bombing range of Japan itself. He must keep open communications with his main armies in China. One would say, therefore, that the Kurile Islands, the Philippines and Formosa for certain, and the Carolines, Malaya, Indo-China and the Dutch East Indies probably, are prizes for which he must fight with all his strength.

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THE WAR AND THE ELECTION

NO small measure of the same tension which gripped Britain and the Continent as they awaited the hour of invasion made itself felt throughout the United States during these anxious months. And yet of course it could not be quite the same. In Washington and other political circles a state of pre-invasion nerves could be detected. But elsewhere, it is fair to say, people went ahead with their day-to-day tasks constructively and calmly, knowing that moments of great uncertainty and change lie ahead both in foreign and domestic policy, but not seeing anything in particular to do about it. In sum American morale was sound, although not yet so unified and fused as that of nations which have stood in the valley of the shadow, and American production and organization of the war effort continued to be efficient and strong. The tremendous future uncertainties are in everybody's thinking, but they have not deterred adequate action. As has been often observed, our state of mind is distinctly not exhilarated, and this is undoubtedly a good thing: it is one of the principal differences between 1944 and 1917 or 1918. It will probably help to produce a realistic peace, based on a practical working-out of problems from day to day.

Americans are, however, beginning to feel the absence of any very definite world-political program or policy in Washington. Secretary Hull's compilation of sound and constructive observations, published on March 21 as a summary of policy, met with the demand for more definite information. The demand is reasonable and understandable, but it is equally clear that any specific blue print today runs into enormous hazards and lacunae. Though we all feel the need for definite planning and policy-making, most of us appreciate that the events of the next few months will be more important in determining what policy can be than any amount of advance talk. And, equally relevant, the presidential election in November—as an indication of the state of public opinion—will have a vital bearing on the blue print. However, it is wrong to assume that the election is likely to result in a grave set-back in American world co-operation. Even if an erstwhile isolationist were nominated and elected, we are not in the mood or climate of 1940. America now has commitments which no President or Congress could evade. The nation is in the grip of international circumstance. It will make a great deal of difference who is President, but whoever it is will find himself faced by certain imperatives which will force a degree of co-operation willy-nilly.

This review will be divided into three sections—the domestic political situation, the American war effort, the general outlook.

I. THE DOMESTIC POLITICAL SITUATION

THERE are two prime uncertainties concerning our domestic political situation. They are: "Will President Roosevelt run again?" and "Who will be the Republican nominee?"

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It is odd that there is doubt about the President's intentions, since up to a few weeks ago it was assumed that he would inevitably run to succeed himself. It was felt that he would certainly wish to see the war through, and have a large hand in the immediate planning of the peace. And, in practical politics, it was realized that if he did not run the Democrats could not hope to elect any other candidate. But in recent days more and more doubt has obscured President Roosevelt's plans. His health has been increasingly troubled. Nothing serious, as far as the public knows, but an increasing susceptibility to minor ailments and growing signs of strain. When old friends come to see the President, who have not observed him for months or years, they nearly always say afterward that they have been shocked by the marks of strain that have been left on him. There is reason to believe that members of his family would prefer to see him retire, with whatever continuing relationship to high policy might be possible, and gain time for relaxation, detachment, rest and recuperation.

WILL MR. ROOSEVELT RUN?

MR. ROOSEVELT has not only served years longer than any other American President, but he has done so in years of greatest stress. To look ahead to 16 years in the White House is truly herculean. Of course Mr. Roosevelt's temperament and character happily enable him to bear responsibility without being crushed beneath it, as several Presidents have been in four years or less. But it is readily to be understood if he and his friends and family are thinking soberly of the future. His sense of duty and responsibility is extremely high, and personal considerations will scarcely be considered in the same breath with national and world imperatives; but when the whole situation is analyzed there may indeed be reasons for thinking the President might step aside. Among those reasons, of course, are the obscured prospects for his re-election. It is far from being a foregone conclusion that the President will win. Reaction has been running high of late, and the Republicans have won 8 out of 11 recent by-elections. The opposition to Mr. Roosevelt, including Republicans and opposition Democrats, have a working majority in the House of Representatives and often control the Senate. After the November elections, it is a practical certainty that the Republicans will have a clear majority in the House and almost as free a hand in the Senate. Thus, at worst, Mr. Roosevelt himself might be defeated at the polls. At best he can scarcely count on anything but a hostile Congress. That would mean constant difficulty, frustration, compromise. It would not be a happy period for the President, and scarcely a tolerable one. It might well approximate the last months of Woodrow Wilson's tenure in the White House, and Mr. Roosevelt—who observed the events of 1920 as a participant—has long wished to avoid that political fate at all costs.

If the President decides not to run, there are several Democrats who would be interesting and impressive candidates, but none of them is likely to win. When the pendulum swings, it invariably swings over to the opposition. There would certainly be no chance for a New Dealer. Just possibly a

conservative Democrat, if he were opposed by a Republican of extremely unenlightened views on foreign policy, might retain liberal Democratic votes and gain enough Republicans who are anti-isolationist to give him a majority. Such a candidate would be Senator Harry Flood Byrd of Virginia. Senator Byrd, like most other Southerners, is no isolationist but is a sturdy conservative, and there has even been speculation—unlikely of fulfillment—that he might receive the Republican or a kind of coalition nomination. Other possible Democratic nominees, if the President is out, would include former Senator and Supreme Court Justice James F. Byrnes, who is now "assistant President" as head of the War Mobilization Commission. Or Senator Alben W. Barkley of Kentucky, majority leader in the Senate. Or Sam Rayburn, Speaker of the House. Or just possibly Paul V. McNutt, War Man-power Commissioner. But Vice-President Wallace is a most unlikely prospect. He has made himself spokesman for an extreme presentation of the New Deal, and the tide is obviously running strongly against that point of view. This discussion of the President's fourth term plans, and of alternative candidates, should by no means be read as assuming he will surely not run. Although all these things are being seriously discussed, the chances are strong that he will have to be a candidate. Like Winston Churchill and millions of others, he is enlisted for the duration, has a keen and urgent sense of his historical mission, and is no political coward. The President will probably conclude that his tasks are not completed when, in July, the Democratic National Convention must select the nominee, and he will probably be "drafted" for the fourth term. One of the other possible candidates named above will very likely be the Vice-Presidential nominee.

MR. WENDELL WILLKIE'S WITHDRAWAL

On the Republican side Wendell Willkie's failure to win any delegates in the Wisconsin primary election led to his dramatic withdrawal from the race. Apparently, but not quite certainly, this means that Mr. Willkie will not be nominated in June. It appears that Governor Thomas E. Dewey of New York may win the nomination without difficulty. However, Mr. Willkie's forthright withdrawal once the votes in Wisconsin were counted has been widely praised as a sportsmanlike and courageous act. Should the other candidates become involved in deadlock, there is a remote possibility that the convention might turn again to Mr. Willkie. But it is virtually out of the question. This sudden departure from the Republican stage of its most prominent occupant was a strange political accident. However, it had a long background. The party organization and its local wheelhorses had never liked Mr. Willkie from the days of his nomination and campaign in 1940 up to the present. Most of them had opposed him at every turn. His only hope lay in proving to these leaders that he had popular support. With typical venturesomeness he attempted to elicit such popular support in the State of Wisconsin, which was perhaps the most difficult of all 48 States for him, but conversely would have led to his greatest triumph. But the difficulties were too great—as might have been expected. The Republican Party in

Wisconsin is ultra-conservative, somewhat isolationist, organization-controlled. Mr. Willkie's defeat has led to much praise for him and his ideas and undoubtedly his influence in American public life is far from ended. There are many who feel he would have been the strongest candidate against President Roosevelt and that the likelihood of Governor Dewey's nomination means that the President can be more easily re-elected in November. Be this as it may, the ideas for which Mr. Willkie fought have made an impression on the national thinking and it would be very false to assume that because of the Wisconsin vote the entire Republican Party, much less the entire United States, is trending in an isolationist direction. Our local elections are very rarely accurate national indicators, and, as in Wisconsin, are almost always predominantly controlled by local factors.

OTHER POSSIBLE CANDIDATES

GOVERNOR THOMAS E. DEWEY of New York has maintained at considerable effort the fiction that he is not a candidate. This means that he has forbidden delegates to run in state primaries in his name, but the prohibition does not prevent delegates from running who are "understood" to be favorable to him. It is, in short, nothing but a political gesture or cloak. It does not mean that Governor Dewey would not accept the nomination. And it is considered to be a possibly effective method of gaining attention and support without standing in the exposed and vulnerable posture of an avowed candidate. This attitude has been severely criticized. Yet Governor Dewey remains the leading candidate in the Republican ranks, due to his success with the professional politicians in his party, and his record as an administrator in New York State. He almost got the nomination in 1940, and has grown greatly since that time. His views on domestic and foreign affairs have not been clearly and fully articulated. It will be remembered that just before Mr. Churchill's reference to an Anglo-American alliance at Harvard University last summer, Governor Dewey announced himself in favor of such an alliance. That is virtually his only specific expression on world policy. His record as Governor shows himself to be somewhat of a conservative, a careful administrator, particularly apt in selecting and trusting able associates and subordinates. Yet his promise remains greater than his achievement, and there are still grave questions about his real views. His temperament is rather that of the prosecutor at the bar, in which capacity he made his early reputation only a few years ago. Governor Dewey is but 42 years of age, very youthful for an American President. He is also a talented baritone and had training in grand opera. There is no doubt that he would be a very vigorous and effective campaigner.

Next in line, aside from Mr. Willkie, is Governor John W. Bricker of Ohio. Governor Bricker, who formerly passed for an isolationist, recently denied that there was any such thing as isolationism. He may be described as a complete conservative, and his own word for his foreign policy attitude is "nationalist". Even in this framework Governor Bricker makes numerous concessions to the need for world co-operation, and some kind of post-war

organization. And, vividly illustrating the commitment which he and any other President would face, it is interesting to recall that one of his closest political and personal associates is now commanding general of a division in the South Pacific, where Ohio boys are involved in tasks not likely to end soon, and which they will not want to repeat for themselves or their sons. If Governor Dewey and some other should be deadlocked at the top of the aspirant candidates, it is conceivable that Governor Bricker could gain many second-choice votes and hence win the nomination. Yet few Willkie supporters would follow him, for their views on domestic and world affairs are almost antithetic. Governor Bricker is a very handsome man, of vigorous personality, high character and religious convictions, and firm conservative principles. He might be described as a typical American conservative, rooted in the midlands, respectful toward business and financial achievement, knowledgeable in practical politics, and firmly loyal to "the American way" which to him seems to mean the "good old days". But there is much sturdy virtue in him, his word could be counted on, and in the grip of circumstances, events, commitments, he might make a President whom the rest of the world could understand and respect.

REPUBLICAN DARK HORSES

THERE are several Republican "dark horses", and space does not permit much examination of their interesting attributes. General Douglas MacArthur is most widely discussed among them, but many Americans seem to resist a political general's candidature. The most extreme anti-Rooseveltians support General MacArthur. If he were nominated, the campaign would certainly not be mild and gentle. The overtones of military bitterness and resentment would certainly do no good for the war effort.

Former Governor Harold Stassen of Minnesota, now a Lieutenant-Commander in the United States Navy, is a fine and able administrator, a Republican liberal, and most deeply committed to plans of world government of any potential candidates. But it is very unlikely that a service man will be nominated. Lt.-Comdr. Stassen will be heard from in the future.

Governors Saltonstall of Massachusetts and Warren of California are potential dark horses. Senator Robert A. Taft of Ohio, a leading candidate in 1940, is now obscured by his fellow Ohioan, Governor Bricker, but if anything happened to the latter's chances—and in the event of a deadlock in the convention—there is real likelihood that Senator Taft might be nominated. He, too, is a forthright conservative and was formerly a type of isolationist. He resisted many of the Roosevelt Administration's early war measures. But Senator Taft is a sound man at heart, and has recently committed himself to a post-war organization like the League of Nations. He too, in the grip of conditions certain to exist in the coming years, would bring America along the road toward world co-operation.

This survey must end, as it began, in uncertainty. We cannot confidently forecast which candidate will be nominated in either party. Of one thing only can we speak surely: Congress, rather than the President, will doubtless

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be the stronger factor in the coming four years. In any event it will be a somewhat conservative Congress on domestic affairs. Its world views cannot be forecast. As of today, they are divided between a number of die-hard and incredibly short-visioned old isolationists, and a promising group of new men and women who see world needs very clearly, much in the manner of Mr. Willkie. But what will be the prevailing sentiment of the next Congress, and to what end it will shape the whole Administration, will depend upon the evolution of events and their effect on national opinion.

II. THE AMERICAN WAR EFFORT

It is not necessary to repeat statistics. The facts simply are that our production of the tools of war remains at top speed, that large surpluses have been piled up in many lines, and that the shortages are few where production emergencies exist. They are mostly in types of special weapons or vehicles which proved unexpectedly valuable. Already production is being cut back in many lines. There is no reason to doubt that our industrial machine will maintain and supply all forthcoming needs of the war, in whatever part of the world, and that the transport problem—though continuously vital—is also solved. That does not mean that it is any less difficult to allocate transport, and supply this area or that, but it does mean that the mechanical side of the war is in adequate shape. Adequate, that is, provided we keep up with technical improvements and research. The present danger could be that we will become over-confident. There is little sign of such lethargy, however, and numerous indications exist that our laboratories—and those of our allies—are just as vigorous and active as our factories.

MAN-POWER AND FOOD

THE man-power situation is more acute and difficult. The problem is this: can industry and agriculture spare 240,000 men from a deferred man-power pool of 4,893,000 to help make up the Army and Navy of 11,300,000 which is demanded by July 1? These 240,000 occupationally deferred men represent less than one-fourth of the men needed by the armed forces between February 1 and July 1. The others to be drafted are already earmarked for induction (call-up) from men now classified 1-A, from the 17-year-olds becoming 18, and from able-bodied fathers now being reclassified from 3-A. The Army is getting really "tough" with the draft boards, disappointed that inductions are lagging 500,000 behind draft calls. Moreover it has watched with concern the age of its men rise to an average of more than 27, while the Navy has built a force averaging 22 years and the Marine Corps a force averaging 20½ years. To meet this disparity, the Army is now demanding young men from previously protected groups of workers. To fill the gaps they will leave, men previously physically disqualified for military service are being shunted into vital civilian work. The farms may feel the heaviest drain, but since the food situation is strong, they will have to bear the sacrifice. The man-power problem is likely to ease by late summer, when not only will the

cadres have been filled but cut-backs in industrial production will release other vital man-power. It may be, too, that the invasion will be then proceeding at a pace to ease present demands for expansion. If it is not, and if casualties have been heavy, the nation will undoubtedly respond to the call for man-power vigorously and make the resultant sacrifices in the domestic framework.

The United States is now fairly confident that the war-time battle of food has been won. The weather has again come to our aid, and a threatened drought—which might have broken the seven-year cycle of good crops—has been removed by timely rains. Agricultural experts now say that there is faint likelihood of a really severe drought in 1944. Acreage is expected to be 13,000,000 over 1943, or 372,000,000. This is almost an all-time record. It is reflected, according to the crop forecasters, in record yields or near-records, in maize, wheat, potatoes, rice, &c. Fresh vegetables produced a bigger winter crop than expected. All in all there seems to be enough food to win the war; but stocks are being consumed rapidly, storage facilities—while jammed—are still not adequate, and it is not yet safe to say that there will be nearly enough food to win the peace. Inflation is still being kept under control far more closely than during the last war, and its effects have not yet become acutely painful. Other war-time strains and restrictions continue to pass relatively lightly over the American scene. There is not much grumbling, although black markets are altogether too prevalent and damaging. The people in general have adjusted themselves to our pattern of war-time life. Wear and tear has not yet become acutely apparent. War weariness is more talked about than actual. There is still no need to ration such things as clothing, and many foodstuffs are exempt from time to time. Recreational facilities function in full swing. All in all, the picture is stable and healthy at bottom. The abuses may catch up with us later on, and there are plenty of them, but they are not now so glaring as to threaten our war effort itself.

III. THE GENERAL OUTLOOK

WHEN the American people seek to gaze ahead, however, the landscape is obscure. They can see plenty of unsolved problems ahead—problems that are not being solved now, and for which no solutions are in hand. Some of them cannot possibly be worked out at present; in fact, it is necessary to postpone even advance planning in many fields because we do not know what conditions will govern their treatment in the days to come.

The greatest problem of all, of course, is the prevention of World War III. That must be the aim, Americans know, of their sacrifice in helping to win World War II, and of the arrangements which follow this war. But, short of seeing the steps to be taken today and tomorrow in striving to win the present war, Americans remain in doubt and perplexity. It is likely that this uncertainty will be reflected in their selection of presidential candidates, and perhaps in their vote in November. Yet there is broad agreement on the objective itself, and on the assumption that some international organization will be needed to try to attain it. Scarcely anybody opposes American

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participation in such an organization, although there is complete lack of agreement over its nature. There are many current studies of the problem, and the advocates of this or that approach are busily spreading their gospel. But such studies have not really gripped the imagination of the public. The nearest approach to that stimulus of late was the Teheran Declarations, although the Atlantic Charter in its time also dominated thinking. There is plainly a yawning void in world statecraft today—a void forced, no doubt, as much as anything by American political uncertainties.

Nevertheless much could be done to set before the world the things on which Americans are agreed, and in which they would co-operate. It should be possible to articulate the Teheran Declarations in terms Americans would gratefully accept. In all probability President Roosevelt and Secretary Hull are considering this task as their next big job. Quite possibly before the political campaign is over, and especially if Mr. Roosevelt decides he has to run, he will turn to the American people and seek to unite them behind proposals which few could deny but which are not being put into sufficiently explicit words today.

IMPORTANCE OF EMPLOYMENT

EVEN after this broad task of winning the peace is begun, there will still remain plenty of problems within the United States. Most of them are contingent on a sound world settlement, and most of them add up to one big imperative: employment. It is generally felt that at some time, perhaps after war production has its first serious cut-back, and after the first flush of the expected boom in consumer goods has paled, unemployment will begin to mount severely in the United States. Because of technological improvements, it is forecast that the United States will be able to produce in 1945 as many goods as we produced in 1940 with 20 per cent fewer workers. In addition, we have increased our labor resources by the introduction of many millions of women in industry. Service men will be coming back for their jobs in increasing numbers. And everybody knows that, if an adequate level of employment is not maintained, we can expect political consequences of grave scope.

In addition, there will be the multiplicity of problems—related to unemployment—in the reconversion of industry, disposal of war stocks, and war plants. Each of these matters is of great magnitude. Several blue prints have been drafted for these tasks, and plans—such as the Baruch-Hancock proposals—are under careful study. But in no sense are Americans confident that they know the answers for their war-ending and post-war problems. The cockiness of 1918 does not exist today. There is a sober and complete certainty that we have much to do: much thinking, much acting, much planning, much praying. And this awareness is undoubtedly the most hopeful fact that can be recorded from the United States today.

United States of America,
April 1944.

INDIA—THE JAPANESE THREAT

I. MILITARY—ADMIRAL MOUNTBATTEN'S COMMAND

THE Allied military forces based on India were late in getting under way this campaigning season, but during the past two and a half months their aggressive activities—and the enemy's—have made northern Burma, the Assam-Burma frontier and Arakan peninsula lively enough theatres of war.

Allied operations are under the direction of Admiral Lord Louis Mountbatten's South-East Asia Command, which is understood to be responsible for a front of some 2,000 miles. It is a front which, in a large part, is vulnerable only to seaborne attack, while even Burma, although it has a land frontier with India, is, owing to the tenuous nature of land communications, to some extent a naval problem. President Roosevelt and Mr. Churchill doubtless had this in mind when, at Quebec last autumn, they decided to appoint Admiral Mountbatten, then Chief of British Combined Operations, as supreme Allied Commander. At that time they doubtless envisaged also rather more ambitious undertakings for Admiral Mountbatten this winter than he has been able to undertake. Global strategy is subject to modifications in the light of developments in other theatres of war, and in the interval since the Quebec Conference these have evidently worked out in such a way as to delay the release from Europe of naval and air material which Admiral Mountbatten needs in order to launch amphibious enterprises. So, except for an occasional air raid farther afield, Admiral Mountbatten has had to content himself with a land campaign, supported by what is now quite a formidable air force, across the Indo-Burman frontier. The scale of the operations is necessarily limited. The railway, road and river communications of Assam cannot transport supplies for many divisions. Between Assam and Burma there is only one road capable of carrying heavy transport—the two-way metalled highway which runs from Dimapur up to the Bengal-Assam railway, some 200 miles across the mountains through Kohima, Imphal and Palei to Tamu in the Kabaw valley. It is a good road, but, apart from being for most of its length vulnerable to raids from across the frontier, it is incapable of carrying the supplies required for the maintenance in Burma of an army large enough to inflict a decisive defeat on the Japanese. The Japanese have not many divisions there—although they did reinforce their garrison when the establishment of the South-East Asia Command was announced—but they operate at the end of excellent railway, river and road communications running through the whole length of central Burma to Rangoon and into Siam.

Nevertheless, with a fleet of air transport at their disposal to help out with the supply problem, the South-East Asia Command embarked on a series of operations which, it was hoped, would engage and account for a good many Japanese troops and aircraft, and at the same time achieve something more useful than in and out raids.

GENERAL STILWELL'S SCHEME

THE scheme as outlined by Air Marshal Sir Philip Joubert, Admiral Mountbatten's chief of civil relations, was, in brief, to clear as much of northern Burma as would allow the construction of a road from India to China to proceed. This road project—or to define it more broadly, the re-establishment of land communications between blockaded China and her allies across Burma—is the product of the enthusiasm and energy of General Joseph Stilwell, who commands the American forces in China, Burma and India, and is Admiral Mountbatten's Deputy Supreme Commander. General Stilwell operates the American Air Force in China, which is kept going by supplies flown over the giant Himalayan spur that projects itself from Tibet into northern Burma. Flying at a height of 16,000 feet over what American pilots have named "the Hump", those air transports carry more goods into China than ever the well-known Burma Road did, but they do not solve all the problems—more particularly the fuel problem—involved by the American Air Force in China. Nor can they solve the supply problems of another project which General Stilwell has in mind—the equipment and training of Chinese divisions to assist, at one stage or another of the United Nations' Far East offensive, in disposing of Japan's very large army.

Here it requires to be stated, however, that there is considerable difference of opinion, both engineering and military, as to the practical value and tactical soundness of what is called the Ledo Road (Ledo in north-eastern Assam is its starting-point). It is doubted, to begin with, whether it is practicable to build in haste, across hundreds of miles of mountainous and jungle country, a road which will stand up to the monsoon. Tacticians point out that the construction of the road not only opens up the route into Burma from India, but turns the Hukawng valley into what it never was before—a feasible route for the invasion of India. Again, it is hoped and believed that long before the Ledo Road can be completed the South-East Asia Command will be able to forge a sea route to China, in which case one tramp steamer in a Chinese port will unload in a day as much material as could be carried over the Ledo Road in weeks. There is accordingly a large section of military opinion—American as well as British—which is disposed to support the Ledo Road project only to the extent that it does not involve the employment, for the purpose of its defence, of too large a proportion of the military and air resources available to the United Nations for operations in South-East Asia. That is probably the background of the controversy over the strategy of South-East Asia which has recently been waged, with somewhat careless regard for the security of future operations, in certain American journals.

Whatever the differences of opinion, the operational plan for this winter was, as already indicated, built round General Stilwell's idea of clearing the Japanese out of northern Burma. Its main feature in the opening stages was the descent by General Stilwell at the head of two Chinese divisions and a column of American infantry into the Hukawng valley. Armour-plated bulldozers and army road-builders followed close on his heels. Supplies

were brought to him by air. In support, Admiral Mountbatten's Eastern air command laid on a non-stop offensive against Japanese railway, road and river communications through the length and breadth of Burma. Whether their depredations deterred the Japanese from sending reinforcements to their eighteenth division opposing General Stilwell is not known; but the air command claim, on the evidence of the half-starved condition of prisoners, that they at least rendered the supply position of the eighteenth Japanese division unhappy.

THE WINGATE EXPEDITION

THE next phase was a long-range penetration of central Burma, partly on foot but mainly airborne, by the late Major-General Wingate's special force. They were successfully landed and as successfully maintained in the midst, as General Wingate said, of the Japanese divisions by a fleet of gliders, air transports and light aircraft which General Arnold, Chief of the United States Air Forces, had put at Admiral Mountbatten's disposal for the purpose. They have been heard of at Mawlu on the Mandalay-Myitkyina railway—that is to say, across the whole breadth of Burma. It is assumed that their mission is to do as much damage as possible to every road and railway connexion between central and upper Burma. They are to all appearances operating too deep in the rear of the eighteenth Japanese division for their activities to be of much immediate assistance to General Stilwell. On the assumption, however, that General Stilwell succeeds—which seems likely—in liquidating Japanese military resistance in northern Burma, special forces for demolition on the roads and railways may deter the Japanese from attempting its reoccupation, at least during the coming monsoon. By the time that is over, many things may have happened.

Reference should now be made to Arakan—that desolation of jungle, hill and tidal waterways on the Bay of Bengal just south of the Indian frontier. Here early in the year one corps began pressing in on the Japanese positions at Maungdaw and Buthidaung. Arakan has no value except as an approach to the Akyab island air base, possession of which would be valuable as part of a major plan for the invasion of Burma. The corps have not got near Akyab, but they can take great credit for the decisive defeat of a strong Japanese counter-offensive aimed at the capture of Chittagong in Bengal, possession of which would be highly valuable to the enemy as part of a plan for the invasion of India. That, however, was not to be Japan's only essay in the offensive. While General Stilwell was delving into the Hukawng valley and General Wingate was preparing to launch his special force, the enemy was massing along the Chindwin, opposite the Indian frontier, a force that probably consisted of about one-third of all his troops in Burma. It was thought that, when the Japanese learnt of the arrival of the special force in central Burma, they might turn these divisions round and dispatch them east against the enemy in their rear. Instead they launched them westwards across the Indian frontier against the British and Indian forces guarding the passage across the wide and high mountain barrier which separates Burma from

Assam. The Japanese objective was probably the capture of Imphal, the capital of Manipur State, which is surrounded by an extensive plain that constitutes an oasis of flatness and paddy-fields in a wilderness of mountain and jungle. With Imphal as a base, they could have developed major operations against the British and American communications in Assam which, if successful, would have throttled all Allied operations on the Burma front.

FIGHTING IN THE HILLS

THE Japanese advanced on a very broad front stretching some 180 miles from the Chin Hills in the south to the Somra Hills in the north. The British and Indian forward units fought gallant and—to the Japanese—costly delaying actions at various points in the hills. They could not be everywhere at once, however, and the reaction of the Fourteenth Army command to the Japanese offensive was to concentrate their troops at vital points—particularly Imphal—and to do this in strength sufficient not only for defence but for counter-attack when the whereabouts of the Japanese formations had been definitely established. That policy denied the Imphal base to the Japanese and preserved for the Fourteenth Army the airfields from which close support can be given to the ground troops in any part of the battle-field. It has also denied to the Japanese the two-way metalled road which runs from Tamu in the Kabaw valley in Burma through Palei, Imphal and Kohima to Dimapur, the Fourteenth Army's railhead in Assam, which is the only route by which field artillery, tanks and heavy transport can be brought from Burma into Assam. Accordingly the Japanese, although they have by-passed Imphal and are operating round Kohima, which is only some 44 miles from Dimapur, must remain lightly equipped and dependent, for food partly, and for ammunition wholly, on lines of communication by tracks up to 80 miles in length—a situation which considerably limits their capacity for mischief. The British and Indian forces, on the other hand, have at their backs road, river and railway communications in Assam and, at those points where they have accepted encirclement, the air.

Thus, while nobody is disposed to underestimate the Japanese capacity for maintaining substantial forces at the end of a primitive line of communications, it is hoped that the Fourteenth Army's dispositions will keep them out of any objective of importance, and that, once the enemy has been worn down or has worn himself down somewhat, counter-attacks will succeed in sending the survivors back whence they came. But it may be a long business. From the foregoing it will be evident that the time for drawing up a balance sheet on this season's campaigning has not yet come. What may be said now, however, is that Admiral Mountbatten's air forces have engaged quite a large proportion of Japan's attenuated air strength. Enemy losses in the past two and half months have been between 200 and 300 machines. This is doubtless helpful to the Allied forces operating in the Pacific theatres. As for the Allied ground forces, General Stilwell has reduced the eighteenth Japanese division to a fragment—though it is a fragment with a good deal of fight in it still. In Manipur the Japanese

offensive has cost them to date at least 4,000 killed alone, while our corps in Arakan has accounted for 3,000 or more. The British and Indian forces have shown themselves more experienced and confident in the jungle, their leaders possess new tactical ideas and are able to apply their newly acquired air power in such a way as to turn to their advantage those awkward tactical situations which the Japanese, with their great mobility in the jungle, can so easily bring about. A great loss to the Fourteenth Army was the death, in an air accident behind our own lines, of Major-General Wingate, the creator of the special force of long-range penetration troops, and its leader in both last year's and this year's expeditions behind the enemy lines.

FROM DELHI TO CEYLON

AFTER a stay of about five months in Delhi, during which he infiltrated into the control of operations—hitherto under the direction of General-Headquarters-India—and completed the physical organization of his headquarters, Admiral Mountbatten, with his British and American staff, has moved to Ceylon. Here the Supreme Commander will be more centrally placed for the conduct of the operations of the South-East Asia front as a whole. That is to say, an arc drawn at a radius of 1,000 miles from Ceylon takes in a good deal more of South-East Asia than is within the same radius from Delhi. Added to this, in Ceylon Admiral Mountbatten is nearer his naval bases and is on territory which, unlike India—except for parts of Assam and Bengal east of the Brahmaputra and Meghan rivers—is within the operational theatre of his command.

II. POLITICAL—WHERE LORD WAVELL STANDS

THE political situation is unchanged except that, since his first address to the Central Legislature in February, India knows where the new Viceroy stands. Lord Wavell's speech was sympathetic and friendly in tone and, while quite frank and direct as to what is not possible during, or after, the war—namely, the fulfilment of the policy of Congress in the "quit India" resolution—it was helpful in hints as to the lines of political activity that might assist to advance the day of ordered self-government for India. The immediate reactions to the speech were, of course, not by any means universally favourable—the Viceroy stepped too heavily on the toes of the communal politicians—but moderate opinion was certainly impressed by the reasonableness, as well as by the generosity, of the speech, and in the long run it may be that the speech will be found to have had an influence for good upon the difficult political situation.

All that can be said at the moment, however, is that the tendency among Congressmen who are not in gaol to backslide, at least in their day to day political activity, from the full practice of non-co-operation has gained some momentum since the Viceroy spoke. Against that, the political exchanges prompted by the speech have confirmed that there is no political leader in the country who, in the absence of specific authority from Mr. Gandhi, can persuade the Congress followers to identify themselves with any policy that

runs counter to, or modifies that laid down in the "quit India" resolution, and Mr. Gandhi remains silent. On the Muslim side, also, the going is very sticky. Mr. Rajagopalachariar, who is indefatigable in his search for Hindu-Muslim accord, has just approached Mr. Jinnah again, this time on the basis of the Viceroy's speech and on subsequent interviews which Lord Wavell gave Mr. Rajagopalachariar in Madras. It is suspected, though not definitely known, that Mr. Rajagopalachariar went this time fortified also—or handicapped—by information as to the mind of Mr. Gandhi on the subject of Hindu-Muslim relations. However that may be, there was a storm from the Hindu camp, so that Mr. Rajagopalachariar found Mr. Jinnah less disposed than ever to negotiate. His terms for co-operation in a national government were, it is stated, the absolute acceptance by the Hindus of Pakistan, the definition of which is to be left to Mr. Jinnah's future convenience and to the contingencies of the Muslim League's party politics. Mr. Rajagopalachariar does not easily weary in the search for a political formula, but he is quoted as having now written off Mr. Jinnah.

NO NEW OFFERS

THIS state of affairs does not offer a fruitful field for government initiative, and Lord Wavell, in his speech, refrained from new offers. Participation in the Government on the basis of the Cripps proposals remained open, he said, to those who desired to further the prosecution of the war and the welfare of India. If Indians could devise something more suitable on which they could more readily agree, then so much the better. In that connection the Viceroy reminded them of the geographical unity of India, and that coalition Governments were not an impossible ideal—as witness the success with which a Muslim-Hindu-Sikh Government had administered, and preserved communal peace in, the Punjab for seven years. He suggested that an authoritative body of Indians should conduct a preliminary investigation into the constitutional problem; the Government would give them every facility. He recognized that there were high-minded men on the other side of the fence. The Government did not ask for repentance in sackcloth and ashes. On the other hand, the demand for the release of Congress leaders was, in the absence of any sign of their willingness to co-operate, a barren policy.

Hindu India noticed mainly the Viceroy's refusal to release the Congress leaders, which means—so much is Congress in thrall to Mr. Gandhi—the continued paralysis of their party politics. They took some consolation from the Viceroy's references to the unity of India, which various Hindu commentators—forgetting that the Cripps offer remains open—interpreted as the death-knell of Pakistan. The Muslim League were with the Viceroy on the subject of the "quit India" resolution—until that is withdrawn or modified to meet Muslim claims, the Congress leaders, for all Mr. Jinnah cares, may remain in gaol—but they disliked the Viceroy's implied criticism of Pakistan, and Mr. Jinnah in particular was offended by the Viceroy's praise of the Punjab Government. His reaction has been to redouble his

effort to bring about the conversion of the unionist Ministry based on the parliamentary party representation of the Muslim, Hindu and Sikh agriculturist interests into a Muslim League coalition Ministry subject to the orders of the High Command of the All-India Muslim League. As the Muslims in the Punjab have only a small majority over the other communities, the success of Mr. Jinnah's campaign might have serious reactions on the tranquility of the Province which is the backbone of the Indian Army. At the time of writing, however, Mr. Jinnah's conversations with the Punjab Premier had not been concluded.

III. ECONOMIC—THE BUDGET SESSION

THE Budget session of the Central Legislature gave the political parties the opportunity to take it out of the Government for its refusal to meet their conflicting political demands. The Congress members thought this was a cause in which they would be justified in defying their party's policy and, being anxious also to focus public attention on their party, they attended the session in fair strength. Mr. Bulahbai Desai, the leader of the parliamentary group, took his seat for the first time in three and a half years to help in throwing out the Finance Bill. Congress found the Muslim League party, ruffled by the Viceroy's speech and anxious to show themselves not a whit less anti-government than the Congress, very ready to go with them into the division lobbies and thus demonstrate, in language which would be understood abroad as well as at home, that Britain, although claiming to be engaged in a war for freedom and democracy, maintained a Government in India which was not representative of the elected representatives of the people. As a moderate member of the Assembly remarked, however, so long as Congress and the Muslim League could not agree on a basis for a representative Government, there was little point in their complaining about the unrepresentative nature of the present Government of India. The only alternative to the present or a similar Government was, in present circumstances, civil war.

RAILWAY FINANCE

FILIBUSTERING began in the debates on the railway budget, which brought the Government three defeats. These were prompted, however, not so much by political considerations as by the Government's proposal to increase railway fares by 25 per cent. There was no disputing the unpopularity of this measure in the country at large, and the Government eventually abandoned it. Its chief merit in the Government's eyes was that it promised to immobilize £7½ million—the proceeds of the increase which were to be placed in a reserve fund earmarked for post-war improvement in third-class travel amenities—and in the Finance Member's struggle against our serious inflationary situation every little counts. The non-unitary structure of India does not prevent war expenditure from spreading purchasing power throughout the whole of the country. When it comes to mopping up the excess, however, the States are bolt-holes for taxable funds, while, owing to the objections which would be raised by the self-governing Provinces, the

whole of the agricultural income has to be left untaxed. It may be added that the Finance Department has to work with a very exiguous income-tax staff—which cannot easily be increased—while price control, the keystone of anti-inflationary measures, is operated in India with one-fiftieth of the staff which the Finance Member estimates is required to make it really effective. In the course of one of his speeches Sir Jeremy Raisman remarked that the greater part of the inflationary rise in prices following the diversion of goods to war purposes had been caused, not so much by the scarcity, as by “such merciless exploitation” on the part of the Indian trading and commercial classes “as has rarely been seen in this or any other country”. This indictment illustrates not only the need for an adequate price control staff in India, but also the difficulty experienced in finding personnel of the requisite moral quality.

Sir Jeremy Raisman presented a budget for 1944-45 of £272 million, of which £207 million—six times the pre-war figure—are for defence purposes. To meet the estimated revenue deficit of £69 million he proposed to raise £28 million by additional direct and indirect taxes, and to cover the rest by borrowing. The general opinion was that his additions to direct taxation were, in the circumstances, very moderate, but they were accompanied by the introduction of the “pay as you go” system for income tax, and in the case of super tax an increase in the existing compulsory deposit from one-fifth to nineteen sixty-fourths. The effect of this will be to immobilize the whole of the excess profits after the excess profits tax has been paid on them, and income tax and super tax paid on the balance. For anti-inflationary purposes Sir Jeremy Raisman estimated the total effect of the new measures of taxation and compulsory deposit, including the increase (later abandoned) in railway fares, at approximately £75 million. This, with other remedial measures already undertaken, would, he hoped, close the gap between the total incomings and the total outgoings.

The Opposition complained bitterly about the size of the defence bill, although, as Sir Jeremy Raisman pointed out, India was not paying even the full cost of her local defence. They were also sensitive on the subject of India's large sterling balances—the product of a system of financing the war which, as they said, was not unconnected with inflation and the hardships it had brought to India—but nobody was able to suggest a satisfactory alternative method. On the whole, the reception of the budget in the country at large has been good, and its rejection by one vote in the Assembly was a demonstration not against the Government's finance, but against its constitution.

India,
April 1944.

GREAT BRITAIN

MONTHS OF WAITING

THE early months of 1944 recalled those of 1940. Both were dominated by the still atmosphere of suspense before terrific events. But there was a difference. This year it was not the unknown and immeasurable that lay ahead. "It is a time for preparation, effort and resolve," said Mr. Churchill in his periodic report to the House of Commons at the end of February. But he went on, in a passage which the British civilian with his personal experience of war from the air could vividly appreciate:

"Our production of aircraft, fighters and bombers, judged by every possible test, already far exceeds that of the Germans. The Russian production is about equal to ours. The American production alone is double or treble the German production. . . . What the experiences of Germany will be when her fighter defence has been almost completely eliminated, and aircraft can go all over the country, by day or night, with nothing to fear but the flak—the anti-aircraft defences—has yet to be seen."

It can never be as easy for civilians to picture all that is implied in the successful waging of modern war at sea. For this reason the Navy has hardly yet received in public estimation the full credit which it deserves for winning victory in the Battle of the Atlantic over the direst assault of all against our survival. But there could be no mistaking the limitations which our armed strength has imposed upon the capacity of the enemy to attack us by air, despite the recrudescence of short, sharp raids on London and coastal towns. Unpleasant while they lasted, these raids regularly involved the attackers in heavy percentage losses out of small forces sent over. Their propaganda value for the German home front may have been substantial, but their military value appeared non-existent. The manifest contrast between them and the massive blows struck at Germany by the British and American air forces acted as an encouraging harbinger throughout the months of waiting.

MR. CHURCHILL'S BROADCAST

WAITING in war-time is never easy, and this was no exception. The Prime Minister must have been moved in part by awareness of that, when he decided to make a Sunday evening broadcast to the nation on March 26. He was breaking a year's radio silence, for over twelve months had passed since the Sunday evening when he had outlined his idea for a Four Year Plan after the war, on which men of all parties might agree. This time he divided his theme, allotting twenty minutes to one of his masterly surveys of military operations, and the next twenty to an account of his Government's domestic preparations for peace. As a broadcast performance, it was held by most people to be not one of his most successful. It sounded as if his heart was much more in the military actions present and pending (and why not?) than in legislative and administrative plans for the future. He cease-

lessly recognizes what many forget, that the only road to the fruition of those plans lies through ordeal by battle. Political skirmishers and bright young journalists of the redder sort encourage this forgetfulness with gusto, although the responsible leaders of the Labour party are under no such illusion, and make no such mistake.

Mr. Churchill claimed that progress had been so swift and solid that already a good part of his Four Year Plan was being translated into action. There is substance in this claim, but it would have been more sympathetically heard if the general public had not cherished a strong suspicion—sedulously fostered by the skirmishers and journalists aforesaid—that unnecessary delays were holding up decisions. Did the Government really mean to do anything to carry out the Beveridge report on social security? When was it going to announce its policy on the Uthwatt report (dealing with the whole question of land development, compensation and betterment) and on the Barlow report (recommending a policy for influencing the location of industry), both of which seemed fundamental to an active post-war housing policy?

It might be that postponement of decisions on these large issues was wholly due to Cabinet absorption in the conduct of the war, but it was enticing to ascribe it to inability to agree and obstruction by reactionaries. The latter was the popular view, at any rate among those who dubbed themselves progressive. People closest to Whitehall and Westminster named as the three true reasons, first, the inherent difficulty of reaching agreement in an all-party Cabinet on questions affecting controversial issues which divided parties before the war, and would do so again; second, the unwillingness of the Prime Minister to turn aside from planning the war to resolving differences among his colleagues; third, the influence exercised over affairs at the very centre by Lord Beaverbrook, now a member of the Government again but not of the War Cabinet, and a (some would say) lively or (others would say) sinister opponent of any proposal suggestive of State planning.

HOMES AND PEOPLE

THE nuisance arising from all these genuine doubts or fostered suspicions was much in evidence when the new Minister of Health, Mr. Willink, made his first speech on post-war housing policy in Parliament. He described a workmanlike plan for producing 100,000 houses in the first year after the end of hostilities and 200,000 in the second year. These would be houses of permanent construction, but in addition, to meet the first rush of demand, he announced a decision to provide temporary prefabricated houses, which would be publicly owned, and licensed for a limited period only. The House of Commons wasted its opportunity to examine usefully this important statement of short-term policy, by spending the rest of the day's debate in echoing the names of Uthwatt and Barlow and upbraiding Mr. Willink's colleagues for not having settled on their long-term policies. The short-term plan, so far as can be judged at this stage, looks really good, the more so when it is remembered that in the first 16 months after the last war the total number of houses built was under 14,000 of all kinds. A specimen temporary

house of pressed steel lined internally with plywood was put on view in London at the beginning of May, and won favourable comment. Among its notable features was a standard type of equipment and fittings for kitchen and bathroom, all constructed of one steel unit. This is a field where the application of modern engineering skill and mass-production to domestic needs is much overdue. There should be not only a vast market at home for economical household fittings of that kind, but also export possibilities.

Lord Woolton, the Minister of Reconstruction, is believed to hold the firm view that the provision of homes is the heart of his job. Success there will certainly ease every other reconstruction measure; for failure there no accomplishment elsewhere in the reconstruction field will compensate. The latest authoritative estimates are one million new houses needed immediately when the war ends, and four million over a period of ten or twelve years. Realization is growing keener among public men that we are essaying to act as a Great Power in the post-war world despite the material handicap of a population that will be small in relation to the other Great Powers; and therefore we can afford no downward drag, such as lack of homes, on its quality. As to quantity, a powerful Royal Commission has lately been appointed under the chairmanship of the Lord Chancellor, Lord Simon,

"to examine the facts relating to the present population trends in Great Britain: to investigate the causes of these trends and their probable consequences: and to consider what measures, if any, should be taken in the national interest to influence the future trend of population."

EDUCATION BILL ALARUMS

EDUCATION and health are the other two aspects of the emerging, though uncoordinated, purpose of helping this island to breed generations worthy of their ever vaster responsibilities. Mr. Butler has steered his Education Bill faultlessly through all the dangerous shoals; it awaits now only the final stages in the House of Lords before reaching the statute book. The proceedings on it in the Commons vividly illustrated the unforeseeable nature of politics. It was universally accepted that the crisis of the Bill would come on a late clause providing an Exchequer grant of 50 per cent towards the maintenance and repair of schools built and owned by the churches. The Roman Catholic community, in particular, was profoundly dissatisfied and demanded a larger figure, to lighten the financial burden which its members would have to shoulder if they were to have their children educated according to their own faith.

The day before this clause was due to be reached, a member of the Tory Reform Committee—a body of younger Conservatives whose friends say that they are reinterpreting Conservative principles dynamically in relation to modern needs, while their enemies accuse them of enjoying overmuch the reputation of *enfants terribles*—moved an amendment to abolish differences of pay between men and women teachers. Mr. Butler pointed out that this should be a matter of free negotiation between the representatives of the teachers and their employers (the local authorities) under well-established

machinery, and that he could not accept an amendment applying compulsorily to the teaching profession a principle not operative in Government employment generally. At the close of his speech the Labour party dramatically declared for the amendment. The mover pressed it to a division. The House was sitting late, and many members had gone home. The Government was defeated by 117 votes to 116.

It was not a vote directed against Mr. Butler personally, nor against the intrinsic purposes of his Bill. It simply indicated that a considerable body of members regarded the Government, and particularly the Treasury, as tortoise-like in its approach to the modern issue of "the rate for the job", irrespective of sex. It had no ulterior political significance whatever. Had wiser counsels prevailed, the Conservative instigators of the amendment would have stopped short of insisting on a division. Had the Whips been more active, they could have ensured the presence of enough members to give the Government a comfortable majority. Within Parliament the incident was not without salutary effects, but in the world at large the defeat of the British Government on the eve of the Second Front could do nothing but harm. Mr. Churchill picked up the sledge-hammer to make certain that the harm abroad was minimized. The removal of the clause with the offending amendment he made a vote of confidence. This was granted him by 425 votes to 23. The stability of his Government was put beyond question. The reputation of Parliament was not enhanced. No one came out of the affair with credit and dignity wholly untarnished, except Mr. Butler; but the sense of anti-climax was so strong that the long-awaited Roman Catholic amendment to the grants clause was withdrawn, after a frank but restrained debate, without a division. The episode ended with Mr. Churchill announcing the Government's decision to set up a Royal Commission on all aspects of equal pay.

NATIONAL HEALTH SERVICE

ALONGSIDE the Education Bill, in permanent importance, should rank the White Paper on a national health service which has been accepted in principle by both Houses of Parliament. Its object is "to ensure that everybody in the country—irrespective of means, age, sex or occupation—shall have equal opportunity to benefit from the best and most up-to-date medical and allied services available". Since 1911 we have had compulsory health insurance for all employed persons below a fixed level of earnings—but not for their wives or families, nor for self-employed persons, nor for those with earnings above that level. The new scheme is to cover everybody, and to include ultimately all forms of treatment required. Payment will be made through national taxes, local rates and flat-rate weekly contributions, in almost equal proportions. Every person will have free choice of doctor. Doctors will be under contract jointly with a Central Medical Board and their local authority, and will be remunerated either by capitation fee or by salary according to circumstances. No obstacle will prevent private practice continuing outside the national scheme, if a patient wishes to be treated on the old fee-paying basis.

If the hospital system of the country is to be made adequate and comprehensive, the well-established voluntary hospitals will have to be preserved, and also the provision of municipal hospitals (a recent growth) enlarged. Because the areas of existing local authorities are too small for the purpose, new joint authorities are proposed. Each will cover perhaps a million people, and have full responsibility for seeing that proper hospital facilities are available in its area, as well as a general duty to plan and supervise the other health services, though the latter will be actually administered by the existing smaller authorities. On condition of raising a limited part of their funds by appeal to the public, the voluntary hospitals will retain their treasured freedom of administration, though they will normally enter into area plans and receive substantial payments from rates and taxes, in return for the service they must render in providing beds and treatment free for all patients in need of it.

The Labour party would be ready to see the voluntary hospitals municipalized. Others, who set store by the assurance of professional freedom enjoyed by medical staffs under the voluntary hospital system and indeed believe this to be the real safeguard for the future of British medicine, are asking anxiously whether the financial terms offered to these hospitals are generous enough. The general practitioners are on the alert lest the White Paper may bring them under bureaucratic control by the Ministry of Health or the local authorities, both of which they distrust. In working out the details of the scheme with all the bodies whose goodwill must be ensured, Mr. Willink will find that he has many genuine fears to allay. Its total estimated cost is £148 million a year, compared with about £60 million a year for the restricted pre-war service. The plan will go through, but its success will depend primarily on the degree of enlightenment which the Ministry of Health displays in administering it. Remarkably little public interest has so far been aroused for or against it; and yet it offers the prospect of a more far-reaching contribution to national well-being than any plan of social security cash benefits, such as caught the popular imagination when the Beveridge report appeared.

WAR RECORD

ONE may well ask how a nation with victory still to win, and the enemy 100 miles from its capital, can afford to give its mind to these visions of the future, or can encourage its Legislature to discuss them. One reason is that they have filled the time of waiting and preparation. Another is that, for the past 18 months at least, we have been fully stripped for war; the process of adaptation of our economy and hardening of our lives was completed, and the nation was settled at its new level. Our man-power, we believe, and our woman-power, we know, are more completely and efficiently organized for meeting the needs of war than those of any other belligerent. The Combined Food Board has issued an authoritative report on food consumption levels which proves that we are not living luxuriously.

"From the point of view of variety, acceptability to the consumer and culinary convenience (it says), the United Kingdom diet is inferior to those of the United

States and Canada. . . . Further appreciable changes of an unfavourable character in the United Kingdom diet would give rise to apprehension about their possible effects on the work, output, health and morale of the civilian population."

From the outbreak of war to the end of 1943 we produced in this island for the Army alone 83,000 tanks, armoured cars and carriers, 115,000 guns, and 5,500,000 machine guns, rifles, sub-machine guns and automatic pistols. We made 90,000 aircraft, and our naval construction more than replaced all our losses. In the first four years of war the armed forces of the Commonwealth lost 159,000 killed; 120,000 of those were from the United Kingdom, and in addition we had 50,000 civilians killed here by enemy action. The price has been heavy. Yet, in comparison with Russia and some of the countries which have been wholly overrun, our fortune has been so great that many of us can barely imagine their sufferings.

STRIKES AND THE UNIONS

No wonder that a series of local strikes in March and April evoked amazement and general disgust. Yorkshire miners, Manchester gas-workers and some London Transport Board workers were affected. All the strikes were illegal; the men ignored the recognized negotiating machinery, and flouted the advice of their union leaders. The Government, sensing that this was no normal industrial use of the strike weapon, but that small and frankly seditious groups were working behind the scenes, brought in a new Defence Regulation making it an offence under certain conditions to incite to strike. When challenged in the Commons by a group of members from the extreme Left, the Regulation was upheld by 314 votes to 23. The debate served at least to demonstrate the real solidity of the established trade union movement behind the war. The bitterest reproaches against the rebels in the House and the mischief-makers out of it came from Mr. Arthur Greenwood, the senior member of the Labour party not in the Government, who spoke bitingly of "trouble promoted by men whose names we do not know, men who will not carry the responsibility for that trouble", and said that he would regard himself as unworthy of membership of the House if he took any action which, in any way, could imperil supplies to the men who are fighting. It was not the first time that Mr. Greenwood had spoken with the voice of England.

Great Britain,
May 1944.

IRELAND

AXIS LEGATIONS IN EIRE

ON February 27 Mr. de Valera uttered one of his frequent and characteristic warnings about the dangers threatening Eire's continued peace and security. He said:

"The danger becomes greater as the theatre of war moves more in our direction and the efforts of the belligerents against each other reach their climax. . . . At any moment this war may come upon us and we may be called upon to defend our rights and our freedom with our lives."

For the past two years the admonitions of government spokesmen, however salutary, have been heavily discounted; but on this occasion Mr. de Valera's comments, more solemn even than those which he has recently uttered, received the most careful attention because of the atmosphere of impending crisis which prevailed. For the same reason his reaffirmation of the fact that a policy of neutrality is not the policy of any one party, but the policy of the people as a whole, received the whole-hearted endorsement of all political parties.

The text of the American Note, which was responsible for the gravity of Mr. de Valera's language, was not published for a fortnight after the delivery of the speech. Since the *démarche* had been made on February 21 an interval of nearly three weeks had elapsed between its presentation and its publication—an interval which had afforded unrivalled opportunities to those whose chief delight was the purveying of sensational rumours. As a result, the general reaction when the facts were known was one of relief, the more so since the partial mobilization that had taken place had both given substance to the stories which were circulated, and had suggested a situation far more critical than, in fact, had existed.

THE AMERICAN INITIATIVE

THE American Note requesting as "an absolute minimum" the recall of the Axis diplomats to the Eire Government came as something of a surprise to people here. These legations have been in Dublin for the whole of the war, and until the fall of Mussolini the Italian Minister had been numbered with them. The staff attached both to the German Minister and to the Japanese Consul is very small, and it is fair to say that the activities of these diplomatic missions are evidently viewed more seriously outside Eire than they are in this country. In the early days of the war attention was from time to time focused upon the personality of the German or Italian Ministers and comment on the degree of assistance which they could render to their respective Governments was comparatively frequent. But as the danger of Nazi invasion of the British Isles receded their presence in Dublin attracted less and less attention. To most people the existence of a Japanese representative was

unknown until comparatively recently when he was raised to the status of a Consul. At the same time, it is true that more thoughtful people were disturbed to learn early this year that two parachutists had been dropped by a German plane in County Clare. Both were Irishmen who had been working in the Channel Islands when the German forces occupied them in 1940. The intervening period had been spent in Germany, and, as Mr. Dillon observed in the Dail, it appears unlikely that concern on the part of the Nazi authorities about the men's health and anxiety to "restore them to their native air" was responsible for their sudden descent upon this country. Both men have been interned.

The gravamen of the charge contained in the American Note lies in the statement that the-

"neutrality of the Irish Government operated and, in fact, continues to operate in favour of the Axis Powers and against the United Nations on whom your security and the maintenance of your national economy depend".

This general complaint is supplemented by the particular charge that

"the gravest and most inequitable result of this situation is the opportunity for highly organized espionage which the geographical position of Eire affords to the Axis and denies to the United Nations".

Because the American Note requested the recall of the Axis representatives in Eire, attention was naturally focused on the latter, though certainly not to the exclusion of the former whose implications are more far-reaching.

NEUTRALITY AND ESPIONAGE

THE justice both of the general and of the particular complaint is hotly denied in this country. While public opinion has noted with some satisfaction that the American Note made it absolutely clear that the good faith of the Irish Government in its effort to suppress Axis espionage was not questioned, and while it was also prepared to concede that the German and Japanese diplomatic missions obviously exploit the possibilities of espionage to the best of their ability, it is, rightly or wrongly, sincerely convinced that with existing precautions the opportunities of espionage are so limited as to be virtually non-existent. It is pointed out that the American Note allows by implication that the radio transmitting set was no longer in the possession of the German Minister, and emphasis is placed on the extreme difficulty of communication between the Axis representatives and their respective Governments. This incredulity, well or ill founded though it may be, is in some degree responsible for the contrast in the reactions of the United Nations and of public opinion in this country to the contents of the American Note.

While the initiative in these representations was taken by the Government of the United States it had the full concurrence of the British Government. Mr. Churchill stated in the House of Commons that the British Government were consulted throughout by the United States Government and gave "the

American approach full support". Evidently the sentiments of Dominion Governments were not known in Dublin, since Mr. de Valera sought to persuade first the Canadian and then the Australian Prime Minister to intervene, to secure the withdrawal of the Note in the interests of Eire's relations with the United Nations. In these attempts he was notably unsuccessful.

The Irish reply, in which it was observed that the terms of the American Note seemed to be out of harmony with the traditional friendship between the two countries, gave the most emphatic assurance that every means had been taken to prevent the leakage of information and declared that not a single instance of neglect on the part of the Eire Government was alleged. Britain's concurrence in the American initiative provoked the comment that

"it is perhaps not known to the American Government that the feelings of the Irish people towards Britain during the war have undergone a considerable change, precisely because Britain has not attempted to violate our neutrality".

IRISH REACTIONS

THE reaction of the Irish people to this exchange of notes was unmistakable. Support for Mr. de Valera's rejection of the American Note was forthcoming from all parties and shades of opinion. Its source is to be found in the belief that Eire's neutrality in this war is the final vindication of her sovereign status. Neutrality which began as a policy has thus ended by becoming a symbol. Viewed in this context the American representations were interpreted as a request not merely for the modification of Eire's attitude to the war, but even as an attempt to deprive her of hard-won rights. To this sensitiveness must also be attributed the welcome modification of this country's traditional views towards Great Britain to which the Irish reply alluded. For this the fact that in the most critical moment in her history Britain forbore to challenge Eire's right to the free exercise of her national sovereignty is mainly responsible. Sympathy alone might indeed have dictated a rather different reply to the American representations; but since the issue was inextricably involved with the maintenance of national rights, no answer was possible politically or could be contemplated other than that which, in fact, was given. It is a paradoxical fact that the continued existence of two unpopular Axis legations in Dublin should have come to be regarded as symbolic of unfettered national sovereignty; but so it has, and the only relevant fact is that public opinion in Eire takes this view. The reaction was instinctive and, just because it was instinctive, means that arguments suggesting that a different conclusion might reasonably have been reached now that the potential threat to Eire from the Axis has virtually disappeared are altogether beside the mark.

TENSION RELAXED

THE aftermath to the incident has done much to dispel the atmosphere of tension for which the measures taken by the Eire Government were largely responsible. The British imposition of the travel restrictions bore at

first the appearance of a restriction imposed because of the unfavourable response of the Irish Government to the American request, but this misunderstanding was removed when it was appreciated, both that these new and stringent travel regulations were in any event to have been enforced, and that they applied with equal force to Northern Ireland and to Eire. Mr. Churchill's speech in the House of Commons stating that the decision to isolate Eire from the rest of the world was dictated by security considerations has been accepted as a sober statement of fact and, it may be added in parenthesis, that his warm tribute to the Irish volunteers serving in the British forces afforded considerable pleasure to their relatives who sometimes feel that their contribution is forgotten. In practice the restriction on travel imposes not inconsiderable hardships, since a very large number of Irish people are now either serving in H.M. Forces or working in munition factories in Great Britain. Hitherto it has been possible for those in the Forces to visit their homes whenever leave was granted and it has been possible for the workers to return to their homes twice each year. Under the regulations imposed in March and reinforced in April by the imposition of a total ban, these visits will necessarily cease, though Mr. Herbert Morrison's prediction that their full stringency would be modified as soon as possible was a very welcome reassurance.

ECONOMIC RESTRICTIONS

THE economic restrictions, which have followed spasmodically as the war needs of the United Kingdom dictated, will in sum undoubtedly affect the economic situation in Eire seriously. The total ban on the export of coal from the United Kingdom to all neutral countries, which has since been somewhat modified, has hit Eire with particular severity. For some time past the fuel situation here has been extremely serious and a drastic reduction in the use of fuel for private, commercial and transport purposes has long been enforced. As a result of the ban on the export of coal from the United Kingdom the small supplies now in stock here have to be most rigorously conserved. One immediate effect has been the further curtailment of the train service. On the main Dublin to Cork line only two passenger trains now run each way in the week. The internal transport difficulties have been supplemented by the even more severe reduction in cross-Channel services. The air service has ceased to operate and only a skeleton cross-Channel shipping service remains. Every attempt is being made to ensure that the export of all available livestock to the United Kingdom market will not be seriously affected. Though in certain respects the supply situation in Eire causes great dislocation, on the long-term view the economy of the country is not likely to be seriously disturbed unless the restrictions remain in force for a comparatively long time. It is worth recording that the financial position remains strong and that once again the revenue returns show remarkable buoyancy. While it is true that financial strength does not ease the immediate supply difficulties in any way, it should serve to cushion the country against the stringencies of the post-war period.

The events of the past few months have shown, more clearly than at any

time during the war, the gulf that separates this country from the other member States of the British Commonwealth of Nations and from the United Nations, but it would be a mistake to place them in an over-tragic setting. Indeed it may be of benefit to the future of Irish-American and Anglo-Irish relations that the views of the United Nations should have been placed on record. Many of the illusions which until recently prevailed about the post-war position of this country have now been partly dispelled. This at least is all to the good, since neutrality has shielded people here from those facts which make it inevitable that the texture of the post-war world will be very different from that of the world of 1939. The unreasoning assumption that the world will resume its normal activity more or less as though nothing had happened is readily entertained in a neutral, isolated State, and anything that serves to bring home the truth that is so different serves a useful purpose.

SYMPATHY BEHIND NEUTRALITY

MOREOVER spokesmen in Eire, however united in their refusal to accept any modification of the policy of strict neutrality, are at the same time at pains to underline the sympathy which is felt for the United Nations and to make it clear that neutrality, and the isolation which it involves, constitute a purely war-time policy. General Mulcahy, the new leader of the Fine Gael party, has made membership of the Commonwealth a plank in his party's platform and on the government side the clearest expression of this view has been given by the Minister of Industry and Economy, Mr. Lemass, who said early in March that

"neutrality is a policy for the war only, and this nation will desire to play its part in re-establishing normal good relations with other States and, within the limits of its resources, in assisting world reconstruction in co-operating in the rehabilitation of the devastated countries and particularly in forwarding any international plan for the prevention of future wars".

Whatever the long-term effects of the American *démarche* on Eire's relations with the United Nations, its short-term consequence at home has certainly been to enhance Mr. de Valera's reputation. Of this no doubt he was fully conscious when early in May he decided, following the first government defeat in the Dail since the elections last summer, to appeal to the country in an attempt to secure a clear majority over all other parties and groups. Mr. de Valera is a political tactician who chooses his moment well and his prospects of achieving his object would seem bright.

Eire,
April 1944.

CANADA

DISCUSSION OF COMMONWEALTH RELATIONS

IN the discussion of Commonwealth relations in Canada during the past three months Lord Halifax's speech to the Toronto Board of Trade on January 24 takes a place of central importance, not only because of what was said, but because of the repercussions—and lack of repercussions—which followed it. Toronto, rightly or wrongly, is still regarded elsewhere in Canada as a centre of emotional imperialism, and, in the minds of a great many Canadians at least, the setting could scarcely fail to add implications to what was said. The occasion was the centenary dinner of the Board; the large audience consisted mainly of the financial, commercial and industrial leaders of the city; and the speech was reported very widely not only in Canada but in other countries.

LORD HALIFAX'S TORONTO SPEECH

LORD HALIFAX spoke,* in the beginning, of the development which in less than a century, from Durham's Report to the Statute of Westminster, had changed Colonies into Dominions and created the Commonwealth. He had no thought, he said, of undoing this development, and the war had indeed proved the "essential unity" of the Commonwealth. While equality of status had been achieved, however, equality of function had lagged behind. Unity had "found little expression in outward form", and responsibility for action had not been "visibly shared by all". It would, he suggested, be "an immeasurable gain if on vital issues we can achieve a common foreign policy expressed not by a single voice but by the unison of many". In 1939, for the second time in 25 years, he pointed out, the Dominions were "faced with a dilemma of which the whole world was aware. Either they must confirm a policy which they had had only a partial share in framing, or they must stand aside and see the unity of the Commonwealth broken, perhaps fatally and for ever."

Broadly speaking, Lord Halifax went on, two roads were open to the Dominions. The first was that of national isolation. "They can say—and who should attempt to gainsay them?—that their foreign policy will be unconcerned with any but their own immediate national interests; . . . that they will neither defend others, nor expect others to defend them." The other road would be towards a strengthening of the Commonwealth "partnership", and this for the reason above all that "we believe that the British Empire has proved, not once or twice, but many times, a powerful and beneficent world force". "In all fields—foreign policy, defence, economic affairs, colonial questions and communications—we should leave nothing undone to bring our people into unity of thought and action." In spite of

* The text of the speech is printed in the *Toronto Board of Trade Journal* for February, 1944.

statements to the contrary by both critics and supporters, Lord Halifax made no specific proposals, beyond observing that "it may be that we shall find it desirable to maintain and extend our present war-time procedure of planning and consultation". But in closing he did emphasize most strongly the view put forward by Field-Marshal Smuts on November 25 last to the Empire Parliamentary Association. Britain, he urged, must be strong enough to claim "equal partnership" in world affairs with Russia, the United States and China.

"If Britain is to play her part without assuming burdens greater than she can support, she must have with her in peace the same strength that has sustained her in this war. Not Great Britain only but the British Commonwealth and Empire must be the fourth Power in that group upon which, under Providence, the peace of the world will henceforth depend."

THE SUBSEQUENT CONTROVERSY

A SPEECH of this kind, though bound to provoke debate, could scarcely be expected to clarify discussion in Canada or elsewhere, for, while Lord Halifax deprecated suggestions of constitutional change, he also in the last-quoted sentence apparently pointed to the desirability of centralization. Critics and supporters were thus able to read into his argument whatever implications they pleased. To anyone familiar with the pattern of Canadian politics the course of discussion which followed provides material of no small interest. Even before the speech was delivered there were signs that certain elements, both among supporters and opponents of closer relations within the Commonwealth, would not be at all averse to precipitating a contentious argument of a type all too common in Canadian politics. The results of such a conflict between extremists would have been unpredictable, and, almost inevitably, serious. Nevertheless, many political observers fully expected it, and the press did, in fact, report an immediate demand that Lord Halifax's "proposals" be debated in Parliament. Contrary to many past precedents, however, the issue did not develop. The first evidence of this restraint came within a few hours of the speech, when Mr. Bracken, the leader of the Progressive Conservative party, stated his opposition to a debate of the kind proposed. The whole question, he believed, should be left until

"given the most thoughtful consideration by the leaders of the Commonwealth when they meet in London. . . . It is a matter of such wide import for the future of our nation within the whole world structure that I would hope it will not become the subject of small political discussion."

The initiative was thus left to Prime Minister King, and a few days later, on January 31, he made a careful statement to the House of Commons which had the effect of discouraging debate, especially as it was followed on the next day by a statement of Mr. Churchill in the House of Commons in London to the effect that Lord Halifax's speech did not represent the voice of the Government of the United Kingdom, although it was "like those of

other distinguished figures on this subject, a valuable contribution" to the study of the subject of relations within the Commonwealth.

Mr. King placed himself on record very positively with regard to the desirability of "full consultation, co-operation and co-ordination, where possible" of the policies of the members of the Commonwealth. He outlined at some length the means of consultation and said that consultation and co-operation had grown steadily during the past couple of decades, although he believed that the methods were "capable in certain particulars of further development". As for Lord Halifax's speech, Mr. King observed, while he felt it was "unfortunate" that it had been delivered at this particular time, he was not disposed to read into it the sinister interpretations which some had placed upon it. "I believe a close reading . . . will show that in many particulars it has not been understood as he would wish to have it understood." Nevertheless, to the argument advanced by Lord Halifax and Field-Marshal Smuts he took sharp exception.

MR. KING'S STATEMENT

He took the unusual course of reading his statement on this point. The following is an essential part of it:

"It is indeed true beyond question that the peace of the world depends on preserving on the side of peace a large superiority of power, so that those who wish to disturb the peace can have no chance of success. But I must ask whether the best way of attaining this is to seek a balance of strength between three or four great Powers. Should we not, indeed must we not, aim at attaining the necessary superiority of power by creating an effective international system inside which the co-operation of all peace-loving countries is freely sought and given. . . . The Moscow declaration on general security forecast a system which would involve for its effectiveness firm commitments by all peace-loving States to do their share in preserving peace. What would seem now to be suggested is that the prime Canadian commitment should be to pursue in all matters of international relations—in foreign policy, defence, economic affairs, colonial questions and communications, to cite Lord Halifax's words—a common policy to be framed and executed by all the Governments of the Commonwealth.

"I maintain that apart from all questions as to how that common policy is to be reached, or enforced, such a conception runs counter to the establishment of effective world security, and therefore is opposed to the true interests of the Commonwealth itself. We are certainly determined to see the closest collaboration continue between Canada, the United Kingdom, and other Commonwealth countries. . . . Collaboration inside the British Commonwealth has, and will continue to have, a special degree of intimacy.

"When, however, it comes to dealing with the great issues which determine peace or war, prosperity or depression, it must not, in aim or method, be exclusive. In meeting world issues of security, employment and social standards we must join not only with Commonwealth countries but with all like-minded States, if our purposes and ideals are to prevail. Our commitments on these great issues must be part of a general scheme, whether they be on a world basis or regional in nature."

To suggest, as has been done, that Mr. King's statement was a "blunt negative" of the idea of co-operation within the Commonwealth is to do it not only a serious, but a mischievous, injustice.

Predictions had been freely made in certain quarters immediately after Lord Halifax's speech that an election might be precipitated on the issue of the desirability of promoting a centralized control of policy for the Commonwealth, but with the statement by Mr. King this possibility faded into the background. Mr. Coldwell, the leader of the C.C.F. party, had already stated his opposition to centralization, and Mr. Bracken's prior statement had made it clear that he would not make an issue of Lord Halifax's rather vague suggestions. The leaders of the three principal political parties were thus on record. As for the press, the discussion was much more restrained than might have been anticipated. The Toronto *Globe and Mail*, which had been expected by some to take a rather extreme attitude in support of centralizing tendencies, urged that the questions raised by Lord Halifax be given careful study, but that they be not made the subject of partisan dispute.

"He prescribes no line of policy," it stated in its editorial of January 26, "he merely suggests an examination of the existing structure, an analysis of its weakness and the consideration of remedies. If that structure can be strengthened to provide greater security against war, surely even in the narrow interests of Canada, it is the duty of our Government to examine dispassionately all sane and reasonable proposals for strengthening it. . . . The issue is a far-reaching one and fraught with profound implications for Canada as well as the Commonwealth, and, indeed, the whole world."

COMMENTS IN THE PRESS

PRESS comments on the whole showed a recognition of the gravity of the issues involved, and there was little serious disposition in English-speaking Canada to discuss the question in terms of status. The Winnipeg *Free Press* was very persistent, however, in emphasizing this aspect of the question. It had been aroused by what it felt to be evidence in certain quarters of a desire to undo the developments of 20 and 25 years ago, and for weeks it carried on an extremely sharp campaign against the implications which had been read by many observers into the statements of Premier Curtin and Field-Marshal Smuts. More typical in tone, though no less clear on the matter of status, was the comment of the Toronto *Star*, following Lord Halifax's speech:

"This need for consultation among the units which comprise the British partnership has always been recognized, and in these days of instantaneous long-distance communication, consultation is easily and rapidly achieved. But to establish some type of central government in London, with the idea that each empire unit should be prepared to subordinate its policies to the wishes of the majority, is another matter altogether."

In Quebec the all too familiar practice of making Commonwealth relations a football in domestic politics emerged in the unanimous adoption by the

Legislative Assembly of a motion condemning "Lord Halifax's new imperialism and dangerous tendencies". It should be observed, however, that a provincial election is probable in the near future and that the Liberal Government of Premier Godbout is under very heavy pressure from the Union-Nationale and Bloc-Populaire extremist elements which took the initiative in forcing the issue. Opinion in Quebec is, in fact, in a very fluid condition, and unqualified importance should not be attached to extreme expressions of opinion. An interesting, and indeed significant, comment on the situation is that, only two weeks after the Assembly's motion, Mr. Bracken made his first formal visit to Quebec as leader of the Progressive Conservative party, and in a speech which was begun by the remark that "In speaking to the people of Quebec in their . . . capital, I shall express exactly the same views as I would in any other part of Canada", he said with regard to Commonwealth relations:

"The matter of Commonwealth relations is one which, if wisely developed, could favourably affect the future peace and security of the world. . . . It would be folly to shatter so inspiring an example of international collaboration (of sister nations). By the same token, its virtue would disappear were it to depend for its cohesion on any form of coercion. There will be no reversion to colonialism; we shall preserve our autonomy; we shall take a positive stand for increased trade and peace in the world; and we shall co-operate fully with the Commonwealth to meet these ends."

Two other press comments more favourable to Lord Halifax's statement may be cited. The first is from the *Canadian Unionist*, the official organ of the Canadian Congress of Labour which supports the C.C.F.:

"There may be a feeling on the part of some Canadian citizens that closer ties with Great Britain involve subservience and domination, but certainly nothing in this address justifies such apprehension. The interests of Canada as well as the sentiments of her people are more closely allied to those of Great Britain than of any other country, and they have been strengthened by the experiences of the war. . . . What is wanted is a Commonwealth policy in which all sections of the Commonwealth are adequately represented rather than a policy reached by the British Government alone. Furthermore, the 'partnership' will be able to exert far greater influence as a unit in dealing with post-war problems than would otherwise be possible. The problems involved, as Lord Halifax admits, are quite difficult, but there is no reason why, if the genius and spirit of the Empire and Commonwealth are preserved, these problems should not be solved."

The other is a reasoned editorial of the *Halifax Chronicle* of February 18. On reflection, it observed, Lord Halifax's statement "had more reference to the wider problem of attaining world security" than to the status of the Dominions. Contrasting the British with the German conception of power and domination it went on to say that Britain's interest, and what British spokesmen were really trying to emphasize, is not domination but world security, the future welfare of the British people included. This also seemed to be the concern of Mr. King.

"A refusal" [it continued] "on the part of Canada to enter into what may appear

to some to be too much of an old imperial grouping cannot excuse this Dominion from having any external policy at all, except one based on vague generalities expressive of general good-will to all men and commitments with none. The very fact that Canada lies on the direct air route between Russia and the United States brings its liabilities as well as its conveniences. . . .”

PUBLIC OPINION POLLS

IN concluding this brief survey of opinion mention may be made of three Public Opinion Polls which illustrate the very great difficulty of framing questions to test Canadian opinion accurately. The first, in August 1942, posed the question, “Do you think of Canada as an independent country or as still dependent on Great Britain?” to which a majority of French-speaking Canadians answered “still dependent”, while a majority of English-speaking Canadians replied “an independent country”. The result illustrates the confusion of definitions and ideas which may appear even in answer to what seem to be simple questions, and this should be kept clearly in mind in examining the replies to the other two Polls. That released in June 1943 asked,

“Which of these things would you like to see Canada do after the war?

1. Continue as a member of the British Commonwealth as at present?
2. Leave the British Commonwealth and become part of the United States?
3. Leave the British Commonwealth and become a completely independent nation?”

To which the replies, in percentages, were:

	Commonwealth	U.S.	Independent	Undecided
National . . .	49	21	24	6
<i>By Racial Origin</i>				
British . . .	66	19	11	4
French . . .	22	19	50	9
Other . . .	34	37	18	11

It is only necessary to remark that such a poll is misleading and extremely unsatisfactory, since the ideas clumsily suggested by the questions are not in the minds of most Canadians mutually exclusive. There is, for instance, no definite body of opinion in favour of annexation to the United States such as the poll appears to indicate. Canadians want a truly Canadian policy which will also harmonize their relations with both Britain and the United States. This is in line with their historic attitude, and to ask them to choose between questions such as the above is merely to confuse the issue.

The third poll, released on March 25, 1944, asked two questions, which again were neither so definite nor mutually exclusive as they may appear to be:

“Which of these would you like to see Canada do after the war:

1. Decide for herself how she will deal with other countries in the world, or
2. Join with the other Dominions and Britain in deciding one foreign policy for the whole Empire?”

To which the replies were:

	Total (per cent.)	Quebec (per cent.)	Rest of Canada (per cent.)
Decide for herself	47	70	39
Join with Dominions	46	21	55
Undecided	7	9	6

AGREEMENT ON FUNDAMENTALS

In conclusion, are there any general statements which can be put forward? In the view of the writer one should be strongly emphasized. It is that throughout the country there is far more agreement on fundamental principles than is commonly realized either by outside observers or by Canadians themselves. Such evidence as that of the polls is not proof to the contrary, since, as has been pointed out, questions like those cited above produce artificial conflicts which are not representative of opinion. The differences in opinion, important as they are, are far more differences in emphasis than in principle. Much confusion arises from the use of such phrases as a "common" or "single" foreign policy, or a "unison" of voices. Such phrases are understood in different senses by different people, and there is as a result a great deal of shadow-boxing which is mistaken for genuine difference of opinion. The fact that Lord Halifax's vague suggestions did not do more to recreate contentious and confused cross-currents of debate than they did is welcome evidence of a growing maturity and agreement on fundamentals in Canadian discussion of Commonwealth relations. In order to avoid misunderstanding as to what Canadian policy is likely to be, it should be stated quite flatly that there is no organized opinion in favour of a common foreign policy in the full and literal sense of that term, nor is there any prospect of it. Proposals for the transformation of the Commonwealth into a British bloc will not be supported in the long run by those who appear to pay lip service to them. It is not conceivable that the United Kingdom itself would consent to be put into such a strait jacket. What pro-Commonwealth Canadians want is not consolidation, but assurance that the fullest possible measure of consultation and genuine co-operation is being and will be achieved. The principle of co-operation can be, and should be, applied to new problems and in new ways, but any attempt to substitute for it the principle of centralization will weaken not strengthen the Commonwealth.

The Orange Free State paper *Friend* of Bloemfontein is reported in Canadian papers of February 3 to have said:

"We believe that when the issues are narrowed down and the problem of Commonwealth unity is examined in the light of larger unity, it will be found that no unbridgeable gulf divided Mr. King, General Smuts, and Lord Halifax. Dominion freedom, and Commonwealth unity, and world co-operation, are not irreconcilable, and the task of the next Empire Conference will be to prove that they can and will be reconciled."

Canada,
April 1944.

AUSTRALIA

MAN-POWER POLICY

IN recent months Australian opinion has, not unnaturally, turned optimistically to active consideration of post-war problems. The invasion of the Marshall and Admiralty islands and the raids deep into Japanese waters, coupled with the dramatic advance of the Russians into Rumania, have convinced many Australians that, while the war is not yet won, its issue is clear enough, and post-war problems are presenting themselves as really near. There has been a growing concentration on domestic matters.

Nevertheless it would be wrong to see in this growing awareness of the problems of peace any relaxation of our war effort. The Prime Minister in January stated the Government's policy firmly:

"There is a limit", he said, "to the man-power resources of this country and all demands cannot be met. The Government is trying to find the men for transport, the coal mines and food processing. The question of the army being a reservoir to maintain the economic life of the nation is a generalization which does not 'run'. I simply cannot accept it."

Such major changes in man-power policy as have occurred have been dictated by the changing needs of the war. The munitions programme reached its peak in March 1943, and production has since been tapered off. In part this is the result of the large output of certain basic weapons achieved in 1942, but the main cause has been the acceptance by Australia of a revised division of labour between the Allies; it is made possible now by the safety of the lines of supply, particularly across the Pacific. In the earlier stages of the war, especially just after Pearl Harbour, it seemed that Australia would have to rely heavily on her own production for a wide range of munitions. Accordingly production was planned on these lines. But, once the supply lines were assured, it became a question whether such a varied output, with its pressure on limited equipment and skilled labour, was not wasteful, and could not be more effectively replaced by munitions from abroad, particularly from the United States. That view has been accepted, together with the obverse that, in addition to a munitions programme of reduced size and scope, Australia should expand her production of food-stuffs to supply Britain and the Allied forces in the South-West Pacific.

FOOD PRODUCTION AND THE ARMY

IN April the Minister for the Army made the bald announcement that the Army was to be reduced by 90,000 without explaining the significance of this figure, or the reasons behind the policy. The adverse comment abroad, especially in the United States, was based on a misunderstanding. The figure of 90,000 was arrived at by adding the normal wastage from the

services, which now total over 800,000 men enlisted from the male population of military age of 2,400,000, to the 20,000 referred to below, released or to be released for essential food production; it did not refer to the discharges only. In any case there is no question of a relaxation in the war effort, merely one of a change of form. Australian mobilization has, on a population basis, gone beyond that of other Allied countries, whereas the changed strategic position means that her maximum contribution will be achieved by a greater concentration on the local production of supplies. The propaganda of the producers' organizations, aimed at securing more labour, would suggest that the output of foodstuffs had fallen; but in fact the production of meat, eggs, potatoes, vegetables and fruit is higher than before the war. The most important industry to suffer a decline has been dairying, although even there the fall in milk production has not as yet been great. The output will certainly be below requirements, the industry having suffered to a greater degree from the difficulties facing all primary industries, except perhaps wheat, although even here it is possible that the 1943-44 output will all be absorbed locally or by export. Bad seasons have intensified shortages, especially in milk. In the early years of the war the Army was recruited rather heavily from the rural industries; and rural labour, which has always had relatively low wages and poor living conditions, moved readily into munitions and similar industries. That movement has only now been reversed, although it was halted by the policy of the Directorate of Man-power and by the Government's action in raising wages in the dairying industry. In rural industries the labour shortage, coupled with a serious scarcity of fertilizers, which shows its full effects only after the lapse of time, is complicating the efforts to raise production to the high levels set by the targets.

The total demand for meat in 1944, for instance, is 45 per cent in excess of pre-war production, the increased demand being chiefly for Britain and the Allied forces. To achieve such an increase was not practicable, and the target was set at a level of 25 per cent below the demand. The gap is being filled partly by reducing the scale of consumption for the services and the amount for export, but to a larger extent by rationing civilians. Meat thus joins butter and sugar as officially rationed foods, although many others are unofficially rationed by sellers. The system introduced in mid-January differs from the British by being based on the weight of the meat calculated so as to permit an average consumption of $2\frac{1}{2}$ lb. a week per head ("average" because meat is classified in four groups with different coupon ratings). To provide the labour needed for production, the processing of foodstuffs and other essential industries a major re-allocation of man-power has been made. Some men have been released from government factories and annexes, and a total release of 20,000 workers was planned. In addition, the gradual release from the Army of 20,000 men was approved primarily for rural industry, resources which were supplemented by the increased use of prisoners of war, and by more temporary releases of men from the Army for seasonal work. Many women in relatively non-essential work have been directed to canneries and food-processing plants.

THE PROBLEM OF COAL

IN the maintenance of essential production coal has been a major problem in recent months. Mr. Curtin said bluntly in January:

"Unless the production of coal in New South Wales is increased very considerably compared with the 1943 output, the whole war capacity of this country will be less than in 1943. . . . In 1943 too much coal was lost through strikes and absenteeism."

The Australian coal industry is not unique either in the frequency or the nature of disputes, and the recurrence of petty and usually brief strikes for miscellaneous reasons is not, even in war-time, remarkable. As in England, the war has strengthened the bargaining position of the miners (along with that of other workers). There may have been some disposition to hope for more from a Labour Government, although the miners' organizations are not closely allied with the Parliamentary Labour party. Moreover a case could be made for the contrary view that only a Labour Government can effectively control organized Australian labour in war-time. The record of Mr. Curtin's Government—with its relatively heavy taxation of lower incomes, authoritarian control of man-power and military conscription—lends no support to unions which may believe that a Labour Government will be complaisant, even where concessions have been somewhat unreasonably demanded, and it can be argued that unyielding insistence would have cost more in losses in essential production.

For Australia the coal production of New South Wales is critical, for it is the only large source of black coal. Even Victoria with its large brown coal deposits, which provide extensively used electric power, must have New South Wales coal for gas making, railway transport and similar uses, while elsewhere local coal supplies are insufficient. The difficulties of those States have been increased by limitations of transport, the railways being too heavily burdened to carry much coal, while suitable shipping has been reduced by transfers elsewhere. For the last three years Victoria and South Australia in particular have maintained a precarious balance between supplies and consumption with the rationing of industrial consumers, and on several occasions restrictions on the domestic use of gas.

The important recent dispute centred around the methods of working in the Coalcliff colliery, a mine on the south coast of New South Wales with a bad dust record. The men struck and remained unmoved in the face of the Government's pleas, threats and "quiet words" from the Prime Minister. The effect of these was spoilt by the failure of the Government, a short time before, to avert a one-day strike of the Sydney tram and bus workers, who were working under some strain and wanted relief in shorter hours. On that occasion the Prime Minister unwisely intervened at the last moment personally to forbid the strike in accordance with the provision of the national security regulations. The workers went ahead and the subsequent settlement achieved substantially what they had demanded. (Later prosecutions against a number of them were quietly dropped.) In the case of the

Coalcliff strike, conferences between the Government and the miners' representatives and the somewhat half-hearted appeals by the unions having failed, the reservation of some 300 young workers was cancelled and they were called up for the army. The miners stayed firm, and were enabled to argue that their return to work was now useless, since the men called up, being young, were mainly wheelers and similar workers, without whom the face workers could not operate.

Meanwhile the dispute was the occasion for the hurried passage of legislation already planned for the comprehensive control of coal mining. This set up a Coal Commission with far-reaching powers over all the personnel of the industry, and over every aspect of its operations, including the power in certain circumstances to take over the operation of the mines. The Coalcliff colliery was promptly taken over and the dispute terminated, although within a fortnight there was a minor stoppage at the mine. The young miners called up are to be released. It remains to be seen how successful the new control will be not only in handling a single mine but in attaining and maintaining maximum production in the industry as a whole.

PAY-AS-YOU-GO TAXATION

On the financial side important developments have been the introduction of pay-as-you-go system of income taxation and another large war loan. This "First Victory Loan" will be for £150 million, the short-term portion at $2\frac{1}{2}$ per cent and the long-term at $3\frac{1}{4}$ per cent. The tenth public loan since the outbreak of war, it will bring the total public loan for the financial year 1943-44 to £278 million, and since the outbreak of war to £700 million. The Government appears to believe that tax rates have reached their limit, indeed to fear their effect should any large group suffer a decline in income, as may easily happen with large transfers of workers out of munitions. This risk is being met in part by pay-as-you-go legislation. Total money incomes, however, continue to rise and, as in all countries at war, "excess spending power" is mounting. The note issue continues to expand: hoarding, tax evasion and the concealment of illegal transactions are in part the explanation. Bank accounts, especially those in savings banks and current accounts, have climbed steeply to unprecedented levels.

The Government had originally resisted the proposals for pay-as-you-go taxation when these were made during 1943. Apparently the chief reason was the difficulty of administration, particularly the complexity of the provisions that would have to be made during the transition period, although public discussion turned mainly on the question of the "lag" in the imposition of taxation. The federal income tax which, under the uniform taxation legislation, is now the only income tax, has been based on the income received during the preceding financial year (ending June 30). However, towards the end of last year propaganda in favour of "pay-as-you-earn" was intensified, possibly because in the tax assessments then being issued many taxpayers, who had forgotten that the tax rates had been substantially increased well before the last budget, had received unpleasant reminders. In February a parliamentary committee was appointed to investigate

"the advisability of basing liability to income tax in each financial year on the income of that year", and its recommendations were adopted by the Government.

RECONSTRUCTION PLANS

THE Government's emphasis on the maintenance of the maximum war effort has not prevented reconstruction taking a large place in its activities. The Loan Council has directed the National Works Council to prepare plans for £200 million of public works (including housing) for putting into operation in the two years following the war to the extent necessary to maintain employment. Several planning bodies connected with the Department of Post-war Reconstruction have presented proposals, and some of them have led to action so far as that is possible at present. Housing has taken a prominent place in the Government's post-war plans, and a clear indication has been given to the States that the Commonwealth will be ready to supply funds for building houses for the low income groups. Some of the States, particularly Victoria, have been guarded in their response, seeking a clearer statement of the terms. The policy of building "duration" homes for war workers has been abandoned and a small number of permanent houses are to be built immediately as a first step to relieving the acute and growing shortage. The first few trainees under the reconstruction training scheme for discharged service personnel have commenced training this year, including some who are doing university courses. The arrangements are generous both in the classes to which the scheme applies and in the benefits, which include maintenance of the trainee and his dependants. The first instalment of the national health scheme takes the form of an Act providing for the free supply of medicines prescribed by a medical practitioner.

CONSTITUTIONAL REFORM

THE most important reconstruction move, however, is the Bill to provide for a referendum on the constitutional alterations, which has been duly passed by both Houses, not without some touches of comic opera in the Senate where, until July when the Senators elected at the general election take their seats, the Government depended for the necessary absolute majority on the votes of two members who are not now attached to their respective parties. The Bill—with such minor verbal changes as were needed to convert the draft Bill of the State Parliaments into a Federal Bill—is identical with the compromise agreed on at the Canberra Convention in November 1942. The reasons for retaining the compromise may be clarified by reviewing the Government's campaign for constitutional change.

In October 1942 Dr. Evatt introduced into Parliament a Bill to provide for an amendment of the constitution in terms which were so sweeping that it could only be regarded as a campaign manifesto; he himself described them as "neither final nor definite". Instead of proceeding with the Bill the Government summoned a special Constitution Convention, representative not only of the Government and the Federal Opposition but also of the Government and Opposition of each of the States. At the last moment a

new Bill was submitted to the Convention, which was much more definite in its terms, but still very far-reaching; on a liberal interpretation there was little which the Commonwealth would not have been able to do. In the end that Bill too was withdrawn, the Government agreeing to try the alternative of the States' "referring" powers for a limited but fixed period (five years), subject to a post-war referendum. The draft Bill to provide for the reference of 14 specified powers (set out below) was carried, and the representatives of the State Parliaments undertook to press its passage through their respective States.

The result, however, was no happier than a similar move towards the end of the first world war. Two States only, New South Wales and Queensland, passed the Bill as drafted; the Tasmanian Upper House rejected it entirely; Victoria added a proviso making it inoperative until all the other States had passed substantially identical measures; South Australia and Western Australia passed it after making significant amendments. Dr. Evatt not unfairly described the position as "almost chaotic"; were the Commonwealth to exercise the powers variously referred to it by four of the States, very curious situations would arise.

NEW FEDERAL POWERS

ALTHOUGH the amendment to the constitution was referred to generally in the Government's election campaign last year, it was not a clear-cut issue, and not until the beginning of 1944 did the Government move to clear the way by introducing the Bill just passed. The powers it proposes to confer on the Federal Parliament fall far short of what many of its supporters would wish, but there is a great campaign advantage in retaining the terms of the Convention Bill. With varying degrees of enthusiasm all the representatives at that Convention agreed that new powers were necessary, the only significant opposition being to making the changes before the end of the war. The method of reference and the precise form of the powers in the 1942 Bill emerged as an agreed compromise, and much is likely to be made in the referendum campaign of that fact.

The new matters over which it is proposed to give the Federal Parliament legislative power are—the reinstatement and rehabilitation of service men and women in civilian life: employment and unemployment; the organized marketing of commodities; companies; trusts, combines and monopolies; profiteering; the production and distribution of primary products (with the consent of the State concerned); overseas exchange and investment; air transport; uniformity of railway gauges; national works; national health; social security; aborigines. Comprehensive as the list is, there are some significant omissions, the most obvious being education. The new powers are in the first instance limited in time also to five years after the conclusion of hostilities, when it is proposed that a Convention should revise the constitution as a whole.

While the Bill was in the House of Representatives, criticism was based in part on the claim that it opened the way for a dictatorship by "bureaucrats" and the misuse by the executive of delegated legislative powers. But

Dr. Evatt took the opportunity to add three amendments: one is designed to facilitate a parliamentary review of delegated legislation, while the other two restore the guarantees which were in the original Canberra Convention Bill. In one freedom of speech and expression are protected against restriction by either the Commonwealth or the States, while the other extends the prohibition of restrictions on religious liberty by the Commonwealth (Section 116 of the Constitution) to legislation by any State.

INTER-DOMINION PROBLEMS

THERE has been more direct recognition of international problems, the outstanding case being the Australian and New Zealand Agreement signed in January and subsequently ratified by both Governments. The general thesis of the agreement is that the two countries regard themselves as having many common interests both as regards the terms of any armistice and peace settlement affecting the Pacific and also in the long-term future in the course of events in that area. Accordingly, there is a provision for continuous consultation with a permanent secretariat in each country, and for a joint presentation of policies. (The two countries have recently exchanged High Commissioners.) The striking feature of the agreement, however, is the directness with which their rights to be consulted and to take part in international decisions are asserted. The right to participate in any Armistice Commission is claimed—as is the right to a voice in the ultimate disposal of enemy territories in the Pacific, and a principal part in the proposed South Seas Regional Commission, which would have advisory power with regard to the welfare of the native peoples of the Pacific. It is declared that the wartime occupation of any territory by any Power “does not in itself afford any basis for territorial claims or rights of sovereignty or control after the conclusion of hostilities”. The right of any country to control migration is asserted. The directness of the statement is as new as the self-conscious recognition of Australia as a Pacific Power with interests and responsibilities extending over the whole of the South Seas.

Australia,
April 1944.

SOUTH AFRICA

THE NEW PARLIAMENTARY SESSION

THE new Parliament, which began its first session in January, has been watched very closely by the country, and with some anxiety. One of the few Parliaments in the British Commonwealth to assume office in the middle of the war, it finds itself confronted with all the many difficulties, stresses, strains and anxieties born of four years of war, and in addition is the Parliament which must shoulder the formidable obligation of carrying this country into the peace. These twin burdens will try South Africa's resources and statesmanship to the utmost.

CHANGE OF PARTY GROUPINGS

THE personnel of the new House of Assembly and the party groupings have been largely changed. The main feature of the new Parliament is that it is dominated by a numerically very powerful United party, faced with a Nationalist Opposition which, although weaker in numbers than its predecessor, has gained in cohesion, discipline and party organization. The little discordant groups which have been such an unfailing cause of internecine warfare in the Opposition have disappeared, and Dr. Malan now disposes of a party which is probably capable of a resistance to the Government more serious and more successful than has been demonstrated this session. The difficulties and weaknesses of having to conduct a coalition parliamentary enterprise have now been faced by the Government, and it cannot be said that it has accomplished this task with entire success.

The two wings of the coalition—the Dominion party and the Labour party—have been markedly and publicly restive. The world-wide state of labour unrest has not passed this country by, and in particular the Labour party feels quite naturally that its long-range future is bound up with the traditions of the Left. It must be on its guard, therefore, against identifying itself too closely, or for too long, with the more conservative United party. The Labour party in this country was once swallowed and nearly permanently disabled by General Herzog's party; it is reasonable that it should not want to risk being swallowed by General Smuts's party. These considerations have resulted in a fair amount of vigorous Labour criticism of the Government, its faith and its works, both from within and from without the House. Some of this criticism has been violent, and there have been inevitable rumours of more serious consequences in the form of a definite split in the structure of the coalition. Fundamentally, however, the position is healthy and there is good reason to believe that, in spite of sometimes very hearty differences of opinion, the alliance between the United party and Labour will at any rate see the war through. The Labour party's record in this war and its services to our war effort have been admirable; and its leader in the

Cabinet, Mr. Madeley, even though he may have been sorely tried, has succeeded in keeping before himself and his followers the overriding priority of the war.

THE INDIAN PROBLEM

THE slight trouble which has come from the Dominion party wing has less justification. Towards the end of the session the Dominionites became embarrassingly frank in the expression of their reactionary views towards the Indians. The South African Indian problem in general had been showing welcome signs of improvement. The new Minister of the Interior, Senator Clarkson, had been expressing in moderate conciliatory terms the Government's policy, which sincerely aims at promoting friendship and ultimate *rapprochement* between Europeans and Indians in Natal and elsewhere. There has even been some tentative talk of a gesture in the form of giving to Indians some form of parliamentary, provincial and municipal representation. From their side the Indians have tended to take a rather more friendly, and certainly more realistic, view. With the formal assurance from the Indians that they want to penetrate into European areas as little as the Europeans desire that penetration, the problem becomes less one of profound and irreconcilable principle than of finding a method. It has therefore been unfortunate, to say the least, that the Dominion party at this stage should choose to give offence to the Indians by a categorical attack on their presence in this country. The South African Indian problem is something of a test case of inter-imperial relations, and any widening of the gulf which still separates Indians and the South African Government will not make the proceedings at the Imperial Conference any smoother. Fortunately, in spite of these attacks, a *modus vivendi* has been found, and the pegging Bill is to be suspended. Consultative and voluntary machinery under the aegis of the Natal Provincial Council is to be substituted.

Generally speaking the United party has weathered the ordeal of its first session better than was at first expected. The changes brought about by the polls have reinforced the party with a number of very able young South Africans. Their influence must inevitably be towards a more vigorous, more liberal and more progressive party policy. The fear was that they would find the pace of the party and of the parliamentary machine too slow for their patience. But, while there have been murmurings of discontent from the more radical wing of the party, the cohesion which the party has been able to display has on the whole been impressive. There has been evidence at any rate of the intention of the Government to handle the heavy problems ahead of them on a scale and with the enlightenment which this country will sorely need in the trials which face it in the next few years. In the course of the session a definite beginning has been made under three major heads—social security, demobilization and that vitally important social problem connoted by the phrase "dual-medium education". These three matters are the main achievements of the session, but reasons of space make their adequate discussion at this stage impracticable. They must be left for later articles.

INTERNATIONAL RELATIONS

It is one of the curious features of this country that, in spite of the extent to which our local politics react to foreign affairs, it is almost impossible to stage anything like an adequate parliamentary discussion of the international situation. An attempt was made once or twice this session, but it was not very satisfactory. General Smuts was given the opportunity to discuss, chiefly to underline, the themes of his "explosive" London speech; but inevitably the proceedings almost immediately degenerated into the old familiar parading of the Communist bogey and the Nationalist preoccupation with their idea of an isolated republic; and before long Parliament was back to the unpleasant racial squabbles which always disfigure public discussion in South Africa. The Nationalists were parading for all they were worth the Goebbelesque vision of the Russian bear striding over Europe and leaning out to interfere in the colour problems of South Africa. This invocation of Russia to put an edge on the old familiar weapon of colour hatred and fear makes any adequate parliamentary discussion of foreign affairs as such very difficult. Apart from some speeches by General Smuts and others on the desirability of pan-African co-operation and friendship, Parliament was most directly concerned with outside affairs when the Eire development was turned into the local controversy. Dr. Malan dispatched an encouraging cablegram to Mr. De Valera assuring Eire of the support of the Nationalist party of South Africa.

One of the unhappiest features of the session has been the vigour with which some sections of the House have peddled the most blatant racialism. The attitude of the Dominionites to the Indians has already been mentioned, but no less unpleasant has been the extent to which the Nationalists are wielding the weapon of anti-semitism. Throughout the session there have been the crudest attacks on the Jews, attacks which have mirrored the more sinister exploitation of the Jewish question outside the House by bodies such as the *Ossewabrandwag* and other organizations whose overt Nazism is a little more pious in degree but unchanged in kind as a result of the German reverses. There is evidence, unfortunately, that this use of race hatred is as capable of paying dividends to its exploiters in South Africa as it was to Hitler in Germany. To offset the unpleasant taste left by this resurgence of racialism can be put the rather happier spirit which is discernible towards the natives. There have been a number of moderate and useful discussions on native affairs, and from almost all sections in Parliament has come evidence indicating perhaps a more generally liberal attitude. To what extent this will be translated into action which will really influence native conditions for good cannot be guessed at now, but if there is ever to be any genuine improvement in the native situation it must be preceded by a considerable change of heart on the part of Europeans. It is going too far to say that this change of heart has actually come about, but with a little optimism it can be said that there is evidence that the old negrophobia is fighting a losing battle. To some extent perhaps South Africa is growing up and growing out of its traditional tendency to look at the natives along the sights of a rifle.

THE BUDGET

THE financial results of 1943-44 are rather better than the Minister of Finance had expected. The revised estimates of revenue show a net increase of more than £7,500,000 over the original estimates. In addition there was an unexpected surplus of well over £2,000,000 brought forward as a balance from 1942-43. These amounts will cover, with £270,000 to spare, not only the £500,000 deficit for which Mr. Hofmeyr budgeted, but also both the first and the second additional estimates of expenditure. With the additional estimates, the total appropriations on loan account for 1943-44 have been brought up to £68,000,000; but once more savings in expenditure on certain votes and increased revenue from several items placed to the credit of loan account (which includes £4,500,000 farmers' indebtedness repaid), together with the previous year's balance, have brought the net additional borrowing needed to finance these appropriations down to £45,500,000.

So much for the past results. To turn to the coming year is to find that expenditure, though mounting less rapidly than in earlier years of the war, still continues to rise. Defence expenditure is estimated at £102,500,000, half of which, following the established custom, Mr. Hofmeyr will attempt to meet from revenue, while the other half is met by borrowing. Salaries to the public services, debt charges and pensions, all show a substantial increase. Native education is being given an additional £275,000 over and above the proceeds of the Native Poll Tax. There is a new £250,000 vote for Unrra. Old-age pensions, pensions and grants for the blind and invalidity grants are to be increased and extended to classes of the population—Coloured people, Asiatics and Natives—at present partially excluded. This scheme and schemes for establishing health centres in preparation for the national health service will only be partially realized in the coming year; but the first steps will absorb nearly £1,000,000. All told, the estimates of expenditure on revenue account for 1944-45 total nearly £112,300,000, while expenditure from loan funds is estimated to reach £68,500,000, which is practically the same as in previous years. It is too much to expect that existing sources of revenue will continue their past buoyancy and provide the necessary sum. The improved shipping position, which has permitted customs receipts for 1943-44 to be £850,000 in excess of the original estimates, will probably permit a still further increase in the yield of customs in 1944-45. This is estimated at about £600,000. But direct taxes, which form the main sources of revenue, may well fall short of the 1943-44 figures. In 1943-44, while normal income tax on individuals exceeded the estimates by very nearly £500,000, super tax on individuals by over £1,000,000 and excess profits duty by over £2,500,000, the normal tax on the gold mines and the gold mines' special contribution fell short by over £1,200,000, and the company tax (other than mining) by over £500,000.

DIMINUTION IN TAXATION RETURNS

MR. HOFMEYR is budgeting for a further diminution of £1,400,000 from the gold-mining taxation and special contribution during 1944-45. While the

yield from the diamond mines may be expected to increase, the less favourable position of gold mining may act as a brake on the mounting yield of income tax on individuals, of excess profits duty and of the trade profits special levy. The budget is in fact framed on the assumption of a slight falling off in their yield. It would be over-sanguine to expect the yield from death duties, which in 1943-44 practically doubled the original estimate of £1,600,000, to do more than maintain their 1943-44 yield. It is therefore placed at £3,000,000 for 1944-45.

On the existing basis of taxation, the aggregate revenue for 1944-45 has been estimated at £107,000,000, which is rather less than the revised estimates for 1943-44. The whole of the additional expenditure budgeted for 1944-45 must then be covered by fresh taxation. Mr. Hofmeyr does not propose to break fresh ground in imposing further taxation. Death and succession duties are to be increased. Super tax, which at present begins at incomes of £2,000, is to start at £1,775, and primary rebate is to be reduced, increasing the rate of tax by £30 for existing super-tax payers and bringing in a new class who will pay up to about £31 super tax for the first time. Changes are to be made in farmers' income tax, with the object of preventing the richer townsmen from taking advantage of the farmer's privilege of offsetting capital expenditure against income, in order to avoid super tax and excess profits duty as part-time farmers. No estimate is given of how this will affect the Exchequer. It may well be that this practice, which is rather confidently advanced in some quarters as a reason for the inflation of land values and live-stock prices, and also for the recent acute meat shortage, is much exaggerated. The removal of these anomalies is, however, to be welcomed in itself. A surcharge is to be imposed on transfer duties on the sale of immoveable property, to be paid into the Union Exchequer and not, like the transfer duty itself, to the Provinces. The stamp duty on stock exchange transactions is to be raised. Further demands in the form of a special contribution are to be made on the diamond mines. Additional excise is to be levied on cigarettes, tobacco and matches, and a new excise is to be levied on sweet wines which up to now have not been taxed. These expedients should enable Mr. Hofmeyr easily to balance his budget.

HOW WILL THE GOLD MINES REACT?

THE main uncertainty in fact is how far the gold mines will come up to even the modified expectations placed upon them. Since the introduction of the budget the Commission has reported on the wages of native mine employees, and has recommended an increase in wages of 5d. per shift, together with a cost-of-living allowance of 3d. per shift and the payment of time-and-a-half for overtime work. The Government has accepted this last proposal, but has modified the wage increase recommended by the Commission to 5d. for underground workers and 4d. for surface workers, without a cost-of-living allowance. Even this is estimated to lead to an increase of £1,850,000 per annum, or of more than 7d. per ton milled, in the cost of mining gold. To prevent increased costs leading to a serious contraction of mining

the Government has agreed to forgo the gold realization charge made for the disposal of the gold which the mines produce. Instead of accruing to the Treasury on loan account this is now to form a fund from which the mines may draw to meet their increased native wage obligation. The net burden of Government borrowing will thus be increased. There are, however, ominous threats of a strike of European miners to enforce demands for a 30 per cent. rise in wages, a demand which undoubtedly cannot be met without very serious budgetary repercussions.

In the past it seems that good luck, as well as management, has already attended South Africa's finance. Mr. Hofmeyr's previous budgets were unwittingly less well balanced than they appeared to be. Owing to the fact of separate accounting, our armies and air force in East and North Africa had to a considerable extent been armed and equipped at the expense of the British taxpayer. An agreement was reached last November when General Smuts was in London, by which past obligations were fixed at some £35,000,000, to be paid off in instalments, while current obligations were also compounded for a fixed payment of £1,000,000 a month. The Prime Minister has been extraordinarily reticent about divulging any details of these agreements to Parliament; but it appears that provision is made for them in the defence estimates for 1944-45, on which other savings must have been possible. If it is true that our forces outside the Union will have everything found by the British authorities for £1,000,000 a month, then, in view of the greatly increased cost of maintaining highly mechanized units, and in view of the growing proportional strength of the even more expensively equipped Air Force, it does not seem as if we had any cause for dissatisfaction with this arrangement.

South Africa,
April 1944.

NEW ZEALAND

PROBLEMS BEFORE PARLIAMENT

PLENTY of problems similar to those facing the other members of the British Commonwealth confronted the people of New Zealand when the new Parliament met on February 22. These were the shortage of coal, electric power, houses and school accommodation, the latter due in part to the taking over of school buildings for war purposes and in part to the raising of the school leaving age to 15; the reduction in the Dominion's dairy production; the need for revision of the licensing laws; industrial disturbances in the shape of strikes in the mines and on the waterfront (the go-slow methods and stop-work meetings were the effect of the Government's policy of appeasement towards the union leaders); and the man-power problem which is always with us and has never been solved. A new Speaker, Mr. F. W. Schramm, an Auckland lawyer, the Labour member for Auckland East, was elected, and he made a good start by severely discountenancing the interruptions which have been an unseemly feature of recent debates. One of the first measures mentioned in the Governor-General's speech was the adoption of the Statute of Westminster. This, he said, would bring New Zealand into line with the other self-governing Dominions, and would remove doubts among foreign Powers regarding her sovereign status and obviate existing legal drafting and administrative difficulties, both in New Zealand and in the United Kingdom. Consideration of the question was, however, adjourned until Parliament meets again. Listeners on the wireless to the address in reply and the debate found that Mr. Holland, the leader of the Nationalist party, had a strong debating team capable of stating their views clearly and temperately and of raising the standard of debate. They include several lawyers capable of revealing defects in the Bills submitted to the House.

REHABILITATION

MAJOR SKINNER, Minister of Rehabilitation, received a warm welcome when, on March 23, he detailed his policy for the re-establishment of ex-servicemen in civil life, and gave a review of what has been accomplished and what is proposed. His own career in the New Zealand Expeditionary Force* is a guarantee of his efficiency and of his practical sympathy with the returned soldiers. Colonel Baker, in whom, he said, he had complete confidence, had been appointed Director of Rehabilitation; 29 branches, each under a rehabilitation officer, were being established; and district executives would be set up having full power to grant loans for which a precedent existed. The number of men and women already discharged was 32,000. 18,000 of these had been oversea, and of the latter about half were in hospital or still receiving treatment. 9,000 service men had gone back to their old jobs, their

* See *THE ROUND TABLE*, No. 131, June 1943, p. 299.

farms or their businesses. Professor Tocker, Rector of Canterbury University College, in addressing the Wellington Chamber of Commerce, considered that the Government was working at the problem of rehabilitation from the wrong end. Since 80 or 90 per cent of the returned men would have to rehabilitate themselves, he advocated the maximum freedom for production and trade to expand and adjust themselves to post-war changes. The Returned Services Association has protested against the centralized control of rehabilitation in the state departments. It has called for decentralization and asked that authority should be given to experienced individuals nominated by the Association and similar organizations.

The session was notable for the silence of Ministers and their failure to disclose their policy on matters of importance to Parliament and the people, and in consequence largely for the failure of Parliament to concentrate on the vital problems of the day and to tackle them in earnest. Military policy and man-power were doubtless discussed in secret session, but John Citizen is getting tired of so much secrecy in the treatment of his affairs. The willingness of the Opposition to assist the Government in non-controversial legislation was shown by the rapid and smooth passage of the Bill entitling workers to an annual holiday on wages at current rates.

REFORM OF LOCAL GOVERNMENT

Two Bills, however, which the Nationalists considered breaches of the Prime Minister's "gentleman's agreement" to avoid the introduction of controversial measures, evoked fierce resistance both from the Opposition and from the interests concerned, as they were introduced and bludgeoned through at the eleventh hour. At the last triennial elections for local bodies Labour suffered a crushing defeat. The Government, when asked to postpone the date of some of the local elections, introduced under pressure from its supporters a Local Elections and Polls Amendment Bill, making revolutionary changes without giving the local authorities an adequate opportunity of expressing their views, and forced it through after stonewall tactics by the Nationalists. The usual reference to the Bills Committee of the House of Representatives was a farce, for the Committee could only meet during the sitting of the House. The question was essentially one calling for examination by those affected and by experts acquainted with the administration of local affairs. Seven years ago the Minister, Mr. Parry, who introduced the original Bill, had wisely contemplated a scheme for the reform of rural local government and county amalgamations. New Zealand suffers from the confusion arising from a multiplicity of county councils, town boards, drainage boards, road boards, river boards, rabbit boards, and from a system of administration over fifty years out of date; but the provincial spirit still prevails, and every county refuses to relinquish a shred of its self-government. The system up to the passing of the Bill was that those who paid the rates should elect the body that fixes and levies them, so that the franchise of the counties was limited to owners or occupiers of land, who had a plural vote up to three votes according to the graduated value of their property. Another principle was the ineligibility for election to an adminis-

trative body of any person holding a place of profit under it or in contractual relation with it. Originally the Bill included all local bodies, and every employee was qualified for election to the local council excepting certain of the principal officers. The Bill as passed was confined to the counties and road boards, and all employees were made eligible for election to the council. The rural franchise was placed on the same footing as the urban, giving those with a residential qualification an equal right with the ratepayers to vote at elections. The Government refused the suggestion of the Leader of the Opposition for the withdrawal of the Bill and the reference of the whole question of the administration of rural areas to a Royal Commission under the presidency of a Judge of the Supreme Court assisted by associates familiar with local government administration in such areas. The reason for the haste in putting the Bill on the statute book was the hope of the Labour party at the coming local body elections in May of controlling not only the administration of the country at large, but also that of the local bodies, including Harbour Boards, a substantial proportion of whose members are elected by the electors of the counties. To ensure that, in every county and city, Labour should "bend up every spirit to his full height", enrolment was made compulsory.

THE LICENSING LAWS

SIMILAR haste in legislation which was criticized in several quarters as undemocratic was shown in the passing of the Invercargill Licensing Trust Bill. Our licensing laws are over half a century out of date, and it is high time they were overhauled by a Royal Commission, as promised in the Governor-General's speech, but a difficult position had arisen from the last licensing poll at Invercargill. At every triennial general election a licensing poll is held, the electors voting for the continuance of the sale of liquor by private enterprise, or for national prohibition, or for state purchase and control. In recent years the votes for the continuance of the present system have substantially exceeded those for prohibition, while a comparative handful of the voters support state purchase. The country's mandate to the Government is therefore the continuance of the sale of liquor by private enterprise. At the same election those licensing districts which have gone dry, and where no licence can be issued for the sale of liquor, have an additional poll, the issues at which are the restoration of licences or the continuance of no licences. At the last general election Invercargill, after 38 dry years, carried the restoration of licences by the necessary three-fifths majority. This raised a problem, since it appeared that few of the former hotels would comply with modern requirements, while a substantial number of the citizens of Invercargill favoured municipal control of the city's liquor traffic. According to the then existing law a licensing committee should have been elected to control the issue of licences. Some delay seemed inevitable, and two petitions were presented to Parliament, one asking that the licensing committee be elected before June 30, and the other advocating municipal control and ownership of the hotels within the area, the profits being devoted to the establishment of further public amenities within the

constituency. The petitioners also asked that the Invercargill electors should have the right to elect a licensing board to manage the hotels under the jurisdiction of Invercargill city and the borough of South Invercargill. At a meeting of the Councils of those two bodies it was decided that a referendum should be taken on the issue of private or community control. Invercargill City Council was to carry on the sale of liquor temporarily pending the result of the referendum.

A NEW TRUST BILL

THE Government passed a Bill postponing the election of the licensing committee until September 12, and then jumped the claim of the municipality and sprang a surprise on the drouthy people of Invercargill by hurrying through its Trust Bill despite the protests of numerous local organizations, including the Southland Law Society, which declared the principle of the Bill unconstitutional as disregarding the declared mandate of the electors. The new Act provides for the establishment in the Invercargill licensing area of a licensing trust to conduct the hotels and distribute the profits within the Southland district for a wide variety of such public cultural, recreational and philanthropic purposes as the Minister of Justice may approve. The Trust will consist of six persons of whom two will be nominated by the Invercargill City Council, one by the South Invercargill Borough Council and three by the Minister. One of the latter will be appointed by the Governor-General in Council as Chairman with both a deliberative and a casting vote. The functions of the Trust will be to provide accommodation and other facilities for the travelling public, to establish and maintain hotels, described in the preamble as model hotels for the supply of intoxicating liquor, and suitable places for the supply of refreshments. From the information given to the House of Representatives by the Attorney General and the Prime Minister, the Trust will apparently operate on the lines of the Carlisle Trust in Britain, and will be financed, as long as necessary, by the State. Neither the State nor the local bodies, however, will have any interest in the Trust's profits. In spite of the Prime Minister's suggestion that the predominant control is to be local, it is clear that the Government can and will dominate the Trust. It is to pay the piper and will call the tune.

THE CANBERRA PACT

THE Canberra Pact was discussed in both Houses of Parliament, and the speakers mainly approved, while suggesting that it would have been more satisfactory if it had been submitted to Parliament for approval. One Nationalist member thought that the people of New Zealand should know how far the Dominion was committed in the policy of policing the islands and in the greater humanitarian programme for the Pacific, while a member of the Upper House thought that the Pact, together with the statement in the Speech from the Throne that the adoption of the Statute of Westminster would remove doubts among foreign Powers regarding the sovereign status of New Zealand, seemed to indicate that the Government, while emphasizing

New Zealand's sovereign status, was not prepared to accept any sacrifice of her sovereignty that might be required by the new order, and that Clauses 32 and 33 of the Pact, referring to migration, might make it more difficult for New Zealand to keep the friendship of India and China. There was general agreement with the Prime Minister's statement that nothing in the Pact was directed against the United States or calculated to sever the close relations with that great republic, to which New Zealand owed so much. Referring to the installation of war-time bases Mr. Fraser said this did not impair the sovereignty of the countries in which the bases were established. New Zealand, in common with the United States, the United Kingdom and the other Dominions, had set up and maintained military establishments in territory other than its own.

IMMIGRATION AND COLOURED RACES

REFERRING to immigration, Mr. Fraser hoped the reference to coloured races would be dropped. Their admission was an economic question. In the provision dealing with immigration there was no antagonism to any country of colour, but there would be a lowering of the standard of living if people of different races were allowed to come in in unlimited numbers. That would be disastrous both to our own people and to the immigrants. He did not anticipate difficulties. Every country had the right to control its own nationals, and the question of ingress to and egress from its own country. Along the lines of the provisions in the agreement he saw the basis for racial and world understanding and peace. Before New Zealand adopted a regular and generous immigration scheme our debt to our own fighting forces must be discharged. Mr. Doidge, the spokesman for the Nationalist party, declared that that party welcomed the Pact. Referring to our obligations under the Atlantic Charter, he said that, if New Zealand was going to subscribe to those terms, conditions and principles, it meant forgoing many of our rights, and that we would not have complete freedom, for instance, to determine tariffs and immigration policies. These and other rights would have to be exchanged to some extent for safety and freedom from aggression. He considered that the Canberra Conference betokened an unshaken faith in the British Empire.

THE DAIRYING INDUSTRY

THE Governor-General's speech stated that shortage of labour, lack of fertilizers, and adverse climatic conditions had unfortunately tended to reduce the Dominion's dairy production. Further light was thrown on that reduction and the point of view of the dairy farmers was put by Mr. J. T. Martin, Chairman and Director of Wright, Stephenson & Company, a large stock and station company who, in an article printed in some leading newspapers on March 29, maintained that the Government's policy had been to "keep the farmers' prices down to the bone in spite of rising costs". He advocated higher export prices for New Zealand's foodstuffs. The fixing of prices for meat, wool, butter and cheese in 1939 for the duration of the war, without any relation to costs, instead of a yearly revision, had, he said,

landed the Dominion in an economic dilemma, and was also seriously retarding production when Britain was appealing for an increase in our supply of butter, cheese and meat. He pointed out that, instead of being in the fortunate position of the producers in Canada, South Africa and Australia, where the Governments had protected their producers against rising costs, New Zealand farmers have permitted the reduction of 70,000 in the number of their milking cows in two years and have allowed 7,000 cows in the South Island to be sold for canning purposes. Mr. Sullivan, the Acting Prime Minister, replied that, in making comparisons with other countries, the variation in farmers' costs must be considered; that an increase of 0·61*d.* per pound of butter fat was given for the 1942-43 season, and that certain cost allowances, totalling slightly more than 1*d.* per lb. of butter fat, were made payable from the beginning of the 1943-44 season. These latter allowances, he stated, offset the increases in farm and dairy factory costs not otherwise provided for between 1939 and the stabilization date. The situation is serious, for the production of butter fat has declined by 30 million pounds and is the lowest, excepting one year, since 1931-32. The number of suppliers has declined in six years by 11,514. Mr. Bankes Amery's vigorous campaign throughout the Dominion, urging Britain's pressing requirements in dairy produce and meat, has had a very stimulating effect on producers.

In the Governor-General's speech a new and comprehensive programme was promised, but it was not until April 7, after the adjournment of Parliament, that Mr. Fraser, on the eve of his departure for London, announced it as having been decided upon as the result of consultation between members of the Dairy Industry Council and the National Council of Primary Production and the Minister of Agriculture and the War Cabinet. The measures proposed include the withdrawal of more men from the armed forces, particularly those with farming experience, the institution of a rural housing scheme, the payment of a wage cost allowance to increase the labour reward to workers and others, a subsidy for the rearing of heifer calves, priority to dairy farmers in the allocation of additional supplies of fertilizers, an increase in the schedule rates for all pig meats, and a subsidy on approved pig feed crops and the setting aside of a certain amount of the dairy farmers' income for maintenance purposes. When labour and material become available, such portion of their income is to be left in any financial year with the Government for war purposes and not to be included in that year's taxable income. Consideration is to be given to the provision whereby dairy farmers may not change to other forms of farming, and dairy farmers who have so changed during the past three years may be required to revert to dairy farming; but the question is to be discussed with representatives of the industry before regulations are brought down.

CENTRAL CONTROL OF MILK

A FURTHER stage in the Government's policy in a new field is the plan for the reorganization of the milk industry and the creation of a central authority. The voluminous report of the Milk Commission appointed a year ago was released, and a summary was published on February 21. The main long-term

recommendation, which has been adopted by the Government and will be carried out by legislation, is the creation of a central authority "to guide and control the conduct and development of the liquid milk industry", and to reorganize that industry, as the Minister of Agriculture says, on the basis of providing fair and equitable treatment for all sections of the industry, and with the objective of making always available to the people of the Dominion an adequate quantity of high quality milk at reasonable prices. The most important of the short-term recommendations relates to the higher payment to producers in Dunedin, Christchurch and Auckland. The increases will be met by a government subsidy and will not involve any alteration in the price of milk to consumers at present. No short-term increase for producers is recommended in the case of Wellington, as it is considered that the position in this centre is relatively more satisfactory. Already a government town milk office has been set up and is functioning in Wellington and a town milk officer and a technical officer have been appointed.

DIPLOMATIC CHANGES

CHANGES have been announced in the diplomatic representation of New Zealand overseas. Mr. Nash is to return to the Dominion. Mr. Berendsen, at present High Commissioner in Australia,* will take his place in Washington, and he will be succeeded at Canberra, where he has done good work, by Mr. J. G. Barclay, a former Minister of Agriculture, a farmer by occupation, who was defeated in the last election. The Minister appointed to the Presidium of the Supreme Soviet of the Union of Soviet Republics is Mr. C. W. Boswell, who was the Labour member for the Bay of Oie Islands and was also defeated in the last election. He is 58 and headmaster of a school. Mr. D. Wilson, Leader of the Legislative Council, is to be High Commissioner in Canada.

New Zealand,
April 1944.

* See *THE ROUND TABLE*, No. 131, June 1943, p. 299.

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